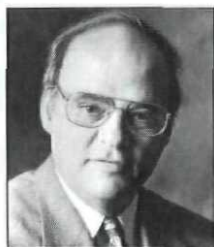


# BACK TO THE CITY

## *Philadelphia System Furthers Its Mission With Ambulatory Care Centers*

BY PLATO A.  
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**T**he large-scale, multipurpose ambulatory care facility is an increasingly common phenomenon of the late 1990s. Often known as health parks, medical malls, or health and fitness centers, such facilities are designed for “one-stop shopping,” usually offering a comprehensive array of diagnostic and treatment services—such as ambulatory surgery, medical imaging, cancer therapy, urgent care, occupational medicine, and laboratory testing—as well as physician offices and health-related retail businesses.

The service mix of these facilities, their scale (they typically range from 50,000 to 350,000 square feet), and their community-based focus have led some experts to speculate that, in the next century, they will replace hospital campuses as the dominant site provider of ambulatory care.

In 1995 the leaders of Mercy Health System (MHS), Conshohocken, PA, decided to establish ambulatory care facilities in their service area. The leaders’ driving idea was to create innovative, multidimensional centers that—unlike most contemporary hospitals—could fit comfortably in busy urban neighborhoods. Structurally and operationally, the centers would be designed to be synergistic with the businesses surrounding them. Such centers, MHS’s leaders believed, would enable the system to better serve community needs.

### **PLANNING THE FACILITIES**

MHS’s leaders based their planning on three of the system’s corporate strategies:

- Develop a continuum of care in the communities MHS serves
- Expand through aggressive integration of healthcare delivery
- Develop a regional integrated health network

Developing ambulatory sites and expanding ambulatory care were identified as ways to carry out these strategies. MHS’s leaders next established criteria for new site development. They decided that the proposed new sites must:

- Expand by building on established presence
- Affirm MHS’s commitment to improving community health status
- Maximize community involvement and create a positive economic impact for MHS and the community
- Improve access for the poor, underserved, and disadvantaged

In drawing up their blueprint for the proposed ambulatory care sites, the system’s leaders included a market analysis, a strategy for attracting physicians to the sites, recommendations concerning which services and programs the sites should offer, a marketing and contracting strategy, an information systems strategy, an estimate of the sites’ financial performance, and a plan for implementing the sites.

## **MERCY HEALTH SYSTEM**

Mercy Health System (MHS), Conshohocken, PA, is sponsored by the Sisters of Mercy, Regional Community of Merion, PA, and is a member of Catholic Health East, Newtown Square, PA.

MHS, which owns four hospitals and manages two others, also includes approximately 50 physician practices, housing for the elderly, and home health services. The Keystone Mercy Health Plan, a managed care company, is a Mercy/Blue Cross joint venture serving more than 200,000 members in the greater Philadelphia area.

MHS's leaders were aware of the risks and costs involved in such a project. It would, for one thing, require a monumental organizational effort. Some leaders worried that:

- The services provided by the proposed ambulatory care sites might overlap those of the system's hospitals.

- Because they were untested, the new sites might find it difficult to attract physicians.

- The new sites might simply replicate inefficiencies in the system's outpatient operations.

In addition, some leaders wondered whether it made sense to put healthcare providers and retail shops (including some with no other connection to MHS) in a single facility. And some leaders still had doubts concerning the "wellness" philosophy itself.

But the leaders decided that the potential rewards outweighed the costs and risks. The proposed ambulatory care sites would:

- Increase MHS's visibility in the market

- Give MHS a unique opportunity to integrate wellness, prevention, education, and clinical care

- Make ambulatory care more accessible and convenient for patients

- Provide primary care outlets for MHS's managed health plan

- Give MHS access to secondary markets

- Inject MHS into the routines of many service area residents

- Strengthen MHS's presence in the region

- Fit MHS's managed care strategy

Although the ambulatory care idea was untested, and although there were certainly significant concerns and reservations about it, the system's leaders decided to proceed.

## MERCY WELLNESS CENTERS

MHS's leaders originally planned ambulatory care facilities for three Philadelphia area communities: Upper Darby, Eastwick, and Darby.

In December 1997 the system opened what it called its first Mercy Wellness Center in Upper Darby. Located in a neighborhood that includes department stores, restaurants, a movie complex, many small shops, and a major regional transportation hub, the center enables Mercy to draw patients from a thriving urban area.

The center is the primary tenant of a five-story, 70,000-square foot, redesigned former bank building. Other tenants include an optical shop and a "wellness café," which serves healthy, low-fat food.

The center's first floor is a lobby and reception area. On the second floor are the offices of several community service organizations and not-for-profit agencies and meeting rooms for MHS and community programs. The third floor

is being reserved as expansion space. On the fourth floor are a multidisciplinary women's center (including obstetric and gynecologic services and a reference room containing a broad range of information and resource material on women's health) and imaging and phlebotomy services. MHS services—including physical therapy and offices for primary care and pediatric physicians—occupy the top two floors. The physicians' offices, used by doctors from three of the four MHS-owned hospitals, can be leased either on a dedicated or a time-share basis.

Although the Upper Darby facility is only a few miles from three MHS-owned hospitals, funneling patients to those hospitals is not the Mercy Wellness Center's primary purpose. As its name implies, the center focuses on preventive medicine and on associated educational and support programs that promote wellness.


Also in 1997, MHS opened a second Mercy Wellness Center in a new building in Eastwick; this facility, though somewhat smaller, is similar in scope to the one in Upper Darby. The creation of a planned third center in Darby was postponed because of overall budget constraints.

## LESSONS LEARNED SO FAR

The Upper Darby and Eastwick centers are doing well. In December 1998 MHS opened two smaller wellness centers in the western part of Philadelphia; these centers, each about 10,000 square feet in size and focusing on primary care and preventive health services, are also meeting performance expectations.

In each case, MHS's wellness centers have increased the system's commitment to primary care and extended it more directly into preventive and wellness services. In the short run, these initiatives have played a key role in solidifying MHS's commitment to primary care; over the long run, they are moving the system in an important direction.

Although the wellness centers have evolved largely as conceptualized during the planning phase, each of them has a somewhat different mix of services than was originally envisioned. It is important, in designing facilities like these, to give them flexibility to grow and change in accordance with actual operating experience, which will undoubtedly differ from that forecast in even the best plans. □

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## MERCY WELLNESS CENTER SERVICES

The following medical specialties can be found at Mercy Health System's two main wellness centers:

### Upper Darby

Family practice  
Internal medicine  
Obstetrics/gynecology  
Cardiology  
Dermatology  
Ear, nose, and throat  
Gastroenterology  
General surgery  
Orthopedics  
Physical medicine and pain management  
Podiatry  
Ophthalmology  
Urology

### Eastwick

Internal medicine  
Obstetrics/gynecology  
Gastroenterology  
Orthopedics  
Cardiology  
Ear, nose, and throat  
Dermatology