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**Contact: Tom Evans**

**602.448.5483 | [tom@evanscommunications.com](mailto:tom@evanscommunications.com)**

### **Four Top Hospital System CEO's Define the Future of Medical Office and Healthcare**

PHOENIX, Arizona (January 20, 2015) — Top Arizona Hospital Systems CEO's recently collaborated on a national panel to predict the future of the dynamic healthcare environment in Arizona and in the country.

Peter Fine, Linda Hunt, Tom Sadvary and Wyatt Decker joined together with panel moderator, Sharon Harper, CEO Plaza Companies, to talk about the future and how each of these organizations plan to maximize opportunities and relationships.

And when you get the top professionals in successful hospital and health systems together to talk about the future, you hear one word over and over again.

Partnerships.

It's true in just about every facet of the health care industry today, and it's true more than ever when it comes to medical office and healthcare real estate. Now more than ever, hospital groups are approaching business of health care with a laser focus on patient care, and leaving the ancillary services to professionals and firms that specialize in other areas.

Health care real estate is an ideal example, according to Tom Sadvary, CEO of the Scottsdale Lincoln Health Network.

"Part of what we need to do in health care is to figure out what we do well and where we should partner with other entities, and to help drive the community discussion of health care needs," he told a recent panel discussion of health care real estate professionals in Phoenix.

The panel discussion, called "Consolidation to Strengthen Sustainability," focused on a broad spectrum of partnerships and collaborative efforts, from providing specialized care to maximizing the efficiency of medical office facilities. And the Arizona-based professionals said the region's burgeoning health care environment places it on the cutting edge of such trends.

"Arizona is the bellweather for the country when it comes to health care," said Sharon Harper, President & CEO of Plaza Companies. "It's a high-growth area with diversity in an attractive state with a dynamic health care environment. It features health care systems known around the country and internationally. It's a place for destination medicine, which will grow significantly, as well as the need for medical education."

Banner Health President & CEO Peter Fine said the rapid changes in the health care industry — thanks to factors such as an aging population and changes to federal health care laws — creates a shifting environment for health care providers.

“Any time you are in an industry that’s being reinvented and the car is going 90 miles and hour and gets a flat that you have to change while moving, it creates an opportunity for new relationships and new partners,” he said.

Those changes have changed the way hospital systems deploy capital, including in the way they approach real estate.

“Dignity Health made a conscious decision about 10 years ago to not use our capital in traditional ways, but instead to fund partnerships and work with people with expertise to build the right integrated delivery network,” said Linda Hunt, Senior Vice President of Operations, Arizona for Dignity Health. “For me it’s about partnerships — how do you growth the network and create an entity that best cares for you from birth to death?”

Wyatt Decker, Vice President of Mayo Clinic and CEO for Mayo Clinic in Arizona, said that Mayo’s strategy has been to avoid big purchases of clinics — including real estate — and focus more on outreach instead.

“We don’t aspire to merge or acquire other practices or hospitals, which is a bit different than some other providers,” he said. “We took a step back and said that we want to focus on two things. The first is being good at complex care, and the second is scaling and sharing our knowledge.”

Sadvary said that partnering with outside groups when it comes to real estate is an important part of their planning for the future.

“As we continue our integration (the merger between Scottsdale Healthcare and John C. Lincoln Health System), we were looking for partnerships to create cost savings,” he said. “And we are getting into a population management journey that requires a lot of money for infrastructure, focusing us to decide where we need to own something and where can we partner. Two years ago, we spun off all our medical office buildings — not just to collect cash, but to have a partnership with an organization. We don’t need to own every asset we do business with, and we can instead use our scarce capital to invest in better healthcare.”

Harper said that as health care moves into the future, firms like Plaza Companies will continue to be an important resource for hospital groups looking to efficiently maximize their resources across the board.

“Medical offices and health care real estate are an important part of the overall picture when it comes to providing health care to a growing population,” she said. “The hospital groups that find the right partnerships and tap into the right expertise in this area will be able to use their resources more effectively in other areas of patient care — something that is becoming more and more attractive to these groups over time.”