



Market Influencers

Affordable Care Act

Reduced reimbursement rates, driven by the Affordable Care Act, are causing healthcare organizations to reevaluate their construction plans.

As hospitals transition from volume-based reimbursement to value driven reimbursement, hospital administrators and managers are constantly trying to improve patient experiences which in turn will improve patient satisfaction and increase HCAHPS scores.

The new Center for Medicare and Medicaid's Value-based Purchasing Program

The Value-based Purchasing Program (VBP) is a mandatory, pay-for-performance initiative that rewards (or penalizes) hospitals based on the quality of care provided to Medicare beneficiaries. Rewards and penalties are in the form of adjustments to Medicare reimbursement rates and are based on a hospital's ability to demonstrate very high-level performance on a variety of clinically focused quality metrics as well as strong patient satisfaction scores. In 2013, the second year of the VBP, more than 50% of hospitals received reimbursement penalties and that situation is expected to continue into 2014.

Industry Growth

Cooper Research conducted a renovation and new building project study and found that, in general, major facility renovations occur every 4 to 5 years.

US demand for medical services is expected to sky rocket over the next decade due to demographic trends, new healthcare legislation, and implementation of the Affordable Care Act (ACA). According to the Urban Land Institute, these and other factors will increase the demand for medical office buildings (MOBs) by 19% by 2019.

The acquisition of MOBs by healthcare systems elevates the importance of aesthetic consistency across facilities. Working with a manufacturer who can help develop and implement a standards program can make it much easier to achieve that aesthetic consistency.

Hospital Environment Trends

Research shows that furniture warranties have become a common investment variable, with some hospitals now requesting a 10-year warranty that typically covers parts and labor.

Well-appointed patient rooms and spacious waiting rooms with comfortable furniture positively contribute to patient and family member satisfaction, decreased patient anxiety, and improved patient-provider communication.

Infection Prevention

Healthcare Associated Infections (HAI's) result in 2.3 hospitalizations a day, \$8.2 billion in hospital costs, and 48,000 preventable deaths. Surface joints and seams are difficult to clean and can harbor bacteria that can cause HAI's.

Selling Features

Healthcare Appropriate

Herman Miller Casework does not have the raw edges commonly found on built-in millwork. This product is highly constructed with all sides of the casework drawers and doors completely surfaced with 5mm high-pressure laminate (2mm edge banding).

Trusted Manufacturer

Count on one source for repairs and parts replacement for all areas of a facility. All of our products come with a 12 year warranty, including parts and labor. Our product will be replaced faster and more efficiently than built-in millwork and that the product will be consistent in aesthetics, durability, and construction.

Patient Centered Care

Named the first manufacturer to be a member of the Planetree Visionary Design Network, this distinction was awarded due to our dedication to patient-centered care. We were evaluated through an in-depth assessment, on our:

- Commitment to the design of healing environments
- Integration of the Planetree tenets into our organization
- Incorporation of evidence based design into our design solutions
- Sustainability
- Knowledge sharing
- We have excelled at creating a culture of collaboration and innovation within our company

Herman Miller also provides aesthetically consistent and integrated product lines. For instance, the finishes (laminates, wood grains, and work surfaces) on Herman Miller Casework can be coordinated with Compass, Co/struc and Ethospace. This allows development of a visual brand across facilities, from MOB's to labs, pharmacies, and patient rooms, enhancing the patient's experience from when they first check in through their entire experience in the facility or healthcare system.

Roadblocks

- When comparing to millwork, the cost of Casework can't be justified
- Casework doesn't follow the Herman Miller Healthcare story of designed to adapt and flexibility
- Casework doesn't have the sizes that were specified by the A&D firm, while millwork can easily make it for me
- I have a long standing relationship with _____ (insert competitor) and always buy from them.

	Herman Miller	Neocase	Steelcase	Amcase
Durability	Cabinet Construction: 3/4" Particleboard cabinet construction	Cabinet Construction: 3/4" Particleboard cabinet construction	Surface Material: Melamine cabinet, drawer front, door front and shelving. 1mm plastic edgebanding for cabinets, 3mm for door/drawer edges	Cabinet Construction: 3/4" Particleboard cabinet construction
	Surface Material: 5mm HPL laminate; 2mm polypropylene edge banding on all sides	Surface Material: Standard laminated melamine or HPL		Surface Material: Melamine and HPL surface material options; TFM, HPL, and PVC edge banding (1 or 3mm)
	Weight Load: Greatest weight load - 125 lb weight load for drawers; 600 lb weight load on worksurface (installed directly above base cabinet)	Weight Load: 100 lb weight load for drawers; 140 lbs per bracket		
Environmental	GREENGUARD GOLD Certified	PVC edge banding (negative)	"plastic trim" (negative)	GREENGUARD Certified edge banding (1-3mm) (not the entire cabinet = a negative)
	Polypropylene edge banding	Plenty of packaging initiatives. Not many other facts.	8% recyclable	minimum of 90% recycled wood fiber (vs. 100% with Herman Miller and Neocase)
	27% recyclable		76% recycled content	
	70% recycled content			
	All products constructed of particleboard are 100% recycled and recovered from wood	All products constructed of particleboard are 100% recycled and recovered from wood		
All products constructed of particleboard are 100% recycled and recovered from wood				
Construction	Mortise and Tenon	Wood & Dowel	Cam Lock	CNC based construction
Design Features	- 9 HPL (high pressure laminate) finishes (4 woodgrain; 5 standard), plus open line laminates on door and drawer fronts	- 17 Melamine finishes, plus open line laminates; powder coated steel, stainless steel, and thermofoil	- 10 laminate melamine laminates, plus open line laminates	- 9 standard colors and 5 standard woodgrains
	- 1 pull option (brushed nickel or black)	- 3 pull options (one recessed) in either black or nickel	- 4 pull options (one recessed) in stainless steel	- 5 pull options (nickel or black)
Warranty	12 year parts and labor	Limited Lifetime Warranty	12 years (limited warranty)	Limited Lifetime Warranty