

Solving the Aging Crisis in Healthcare Facilities Management

Executive Summary

Across America, in hospitals and healthcare systems, a growing crisis unfolds in real time: The convergence of aging employees, aging infrastructure, and aging buildings. An acute ***Aging Crisis*** is impacting healthcare facilities management, and it shows no sign of abating.

While often unaddressed until a crisis strikes, these issues represent significant operational, financial, and strategic risks. Buildings constructed in the 20th century are now expected to serve 21st-century missions—yet they were not designed to do so. Meanwhile, the skilled workforce that maintains these aging facilities is at or near retirement, and there are not enough prospective candidates to fill existing and future needs. Compounding the crisis? Many professionals entering the discipline have little to no hospital facility-related experience.

C-Suite healthcare leaders must recognize that this is more than a facilities issue, it is a leadership challenge that demands integrated and future-focused solutions. “*Solving the Aging Crisis in Healthcare Facilities Management*” outlines the scope of the problem, its impacts on healthcare delivery, and the actions institutions must take to safeguard their mission of delivering safe and effective patient care.

Introduction: A Growing, Multifaceted Aging Challenge

Healthcare facilities are at a tipping point. Hospitals across the country are facing mounting pressure as three critical issues converge:

1. **Aging buildings:** Structures designed for a bygone era are now pushed beyond their intended limits. Some hospitals are beginning to degrade and fail.
2. **Aging employees:** An experienced workforce nearing, and past retirement age with limited succession planning and few people available in the talent pipeline.
3. **Aging infrastructure:** Outdated systems are unable to keep pace with modern standards. Infrastructure components are the essential systems that allow hospitals to function.

These three challenges are not isolated; many healthcare systems face each simultaneously. Aging issues create operational vulnerabilities that threaten everything

from patient care to regulatory compliance to adequate levels of staffing. The aging tentacles are vast and deleterious.

Section I: The Cost of Aging Facilities

Hospitals and healthcare campuses are increasingly relying on buildings that were built 40 to 60 years ago. These facilities were never intended to support today's high-tech, always-on, high-acuity environments. The landscape has dramatically changed.

As a result, healthcare systems face:

- Deferred maintenance that creates backlogs, unexpected failures, and rising costs.
- Mechanical and electrical systems that are obsolete or inefficient.
- Inability to procure parts that are needed to fix and operate outdated equipment.
- Growing regulatory and compliance risks.
- Staff without the experience or knowledge to manage challenging, aged facilities.

More than technical inconveniences, these are mission-critical obstacles. When buildings fail, it disrupts patient care, increases safety risks, and challenges staff that are already stretched to the breaking point **to do more** with less.

Press Ganey reports a 22% decrease in patient satisfaction scores in facilities with visibly outdated environments.

No hospital wants to be highlighted on the news due to a system failure that compromises patient care. Yet increasingly, social media highlights such failures with increasing frequency.

Section II: Workforce Risk — Aging Employees and the Knowledge Drain

As buildings age, the experienced workforce responsible for managing and maintaining these complex buildings disappears at an alarming pace. Some retire, some leave the field because of increased stress, some seek relief from full-time work and the constancy of on call demands. The result of this talent drain is a net-negative, and many healthcare systems struggle with:

- Increasing operational inefficiencies, regulatory risk, and knowledge gaps in their **daily** operations.

- Institutional knowledge lost as experienced employees depart.
- Difficulty attracting and retaining healthcare experienced technical professionals.
- Burnt out employees who do not retire but instead become disengaged employees due to a perceived lack of funds, lack of help, or lack of support.
- Loss of formal succession planning. The traditional career path of Supervisor/Manager to Director has been eliminated due to years of layoffs at the middle-management level. This historical growth path has been eliminated and with short-staffs, succession planning as a priority falls to the wayside.

The International Facility Management Association (IFMA) estimates that **40%** of current facilities managers will retire by **2026**, potentially creating a significant labor shortage.

Without action, organizations risk an **Aging Cliff** that will severely impact the ability of the facility to function in the coming years, and beyond. Many organizations have already begun to feel this sting.

Section III: Aging Infrastructure Comes at a Cost

The physical infrastructure of a hospital serves as the foundation for effective and safe patient care. Emergency Departments, Operating Rooms, Pharmacies, in fact, all areas of a hospital are reliant on the efficiency of temperature control, pressure monitoring, and air balancing that an effective infrastructure provides.

However, much of the infrastructure that enables critical hospital functions is aging rapidly. This aging trend, paired with rising patient expectations and evolving healthcare technologies, increases the cost of deferring infrastructure decisions. The temptation to postpone capital investment or rely on short-term fixes is common, but dangerous and risky. Outdated and unsupported infrastructure, combined with workforce gaps, lead to:

- Equipment failures that delay care or shut down critical services a hospital relies on for revenue, such as surgery.
- Compliance violations that jeopardize licensure or accreditation.
- Elevated insurance costs and liability exposure.
- Rising total cost of ownership due to reactive, rather than preventive, maintenance.
- Erosion of staff morale and patient satisfaction, and employee departures due to frustration and lack of urgency to fix critical issues.

Outdated infrastructure will fail. The days of “McGyvering” an improvised solution to keep an old piece of equipment running, as facility professionals have done to their credit since before MacGyver arrived on television in 1985, are ending. Each delay increases risk and cost. Leaders should proactively assess their infrastructure, secure funding, and execute modernization strategies.

- Sixty percent (60%) of hospital CIOs report infrastructure limitations hinder technology implementation.
- According to ENERGY STAR, outdated hospital systems waste up to 30% of energy.

This long-term strategy cannot be implemented overnight. But by taking these steps now, hospitals will begin their journey to meet compliance standards. They will improve patient comfort and safety, operational efficiency, and care delivery. An added benefit, they will keep their facility workforce engaged.

Section IV: Reframing the Aging Issue as a Strategic Priority

Cref recognizes the **Aging Issue** is more than a facility maintenance issue. It is a strategic leadership issue that must be addressed at the highest organization levels.

A hospital’s mission is ensured in the Facilities Department. Facilities help to enable everything from effective, life-sustaining patient outcomes to research innovation: If the facility fails, effective patient care provided by the patient care team cannot occur.

In most hospitals, the story is familiar: Leadership is unaware of just how critical the infrastructure risk has become, facilities staff are stretched too thin to advocate for change, and decisions are made based on urgent and emergent needs, not clear and actionable planning and data.

The Aging Issue took years to develop. It will take years to alleviate. This is why Cref supports clients with interim facilities leadership solutions, program evaluation and support, education, and institutional knowledge preservation. Cref’s value lies in our ability to help hospitals and systems bridge the spectrum of aging gaps.

Section V: Cref Solves the Aging Crisis

Cref solutions build lasting facility resilience by focusing on three interconnected pillars: people, program, and process.

Our solution is not a one-size-fits-all, but there are consistent strategies we employ that position hospitals to bridge to a successful future. Budget constraints are a reality, and our

a la carte solutions allow clients to control the path forward to solving their specific Aging Crisis need:

1. Interim Support & Advisory Services

Cref's program supports hospitals with interim facility leadership. Our experienced leaders fill gaps and mitigate risk, while reviewing and strengthening compliance, operations, maintenance, and building management systems. The efforts we undertake during interim engagements create resilient, high-performing facilities and teams. We set a firm foundation for the next generation of facilities leadership to take the reins.

2. Workforce development and education

The competencies and skills needed for facilities management success have changed dramatically and further accelerated post-Covid. Our offerings enable existing staff to meet modern healthcare facility demands. Just as critically for an evolving and inexperienced workforce, we can onboard and mentor new hires with customized hospital facilities education programs. Studies confirm that education and development are key to retaining existing staff.

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3. Institutional Knowledge Preservation

A 2021 survey conducted by ASHE and the Association for the Healthcare Environment (AHE) revealed that over 26% of healthcare facility professionals have spent more than 25 years in management roles. A sizable portion is now near and past retirement age. Every day, employees with a lifetime of facilities knowledge walk out of hospitals and retire, taking critical information with them, lost forever. Our programs build pipelines for the next generation by capturing institutional knowledge before it is too late: Standardized training programs ensure business continuity.

4. Talent Engagement & Differentiation

The competition for experienced facility professionals is fierce. Hospitals and systems can no longer expect to have talented facilities professionals flock to them when jobs open. Using traditional and alternate media, and an extensive database of qualified facility professionals, Cref promotes our clients' unique value propositions as workplaces of choice for the next generation of leaders. We collaborate with our clients to identify and define the best talent fit for their organization's unique needs.

Cref’s pillars of people, program, and process, reinforce one another to create a resilient foundation for success. We do not just fill gaps, we guide our clients through the Aging Crisis, creating and defining the infrastructure that supports long-term facilities success.

Section VI: What is at Stake

Healthcare facilities are at a concerning crossroads. Hospitals and healthcare systems face critical gaps such as aging employees, aging buildings, aging infrastructure, and increasing operational complexity. Risk and cost are rapidly escalating, impacting hospital bottom-lines. The Aging Crisis has brought a negative fiscal impact that will not soon disappear.

Hospital Closures by Year	
•	2022: 15 closures
•	2023: 14 closures
•	2024: 25 closures
•	2025: 10 closures, through April

Hospital leaders must act now. The specter of shuttered hospitals due to inaction is a clear and present danger. It is a realization that no healthcare leader wants to face. Let Cref partner with you to solve the Aging Crisis.

The Aging Crisis is real.
With Cref’s vision and strategic approach, it can be overcome.

About Cref

Cref provides strategic real estate solutions to help our clients better leverage their physical infrastructure. Our expertise in real estate advisory, project management, regulatory preparedness, and facilities workplace solutions ensures our clients have end-to-end visibility and insight into their real estate portfolio. We work with healthcare systems, universities, and mission-driven organizations to align physical assets with long-term institutional goals.

Learn more at [www.cref.com]

Or email us at pmartin@cref.com