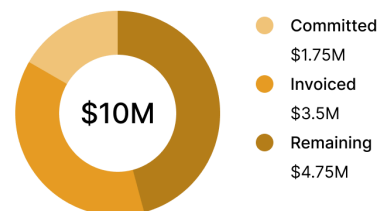




How to Secure Capital Funding for Healthcare Facilities

Use your FCA data to secure funding for critical upgrades and deferred maintenance

Approved Budget Overview



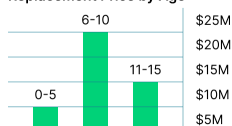
Capital Projects

Replacement Price by

Priority



Replacement Price by Age



Replacement Price by Make



Planned

\$205M

Approved

\$4.5M

Ratio

0.025

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Executive Summary

Aging infrastructure poses a significant challenge for healthcare facilities, directly impacting patient care, operational efficiency, and financial stability. This ebook outlines how **Facility Condition Assessments (FCAs)** and **Integrated Workplace Management Systems (IWMS)** can **empower facility managers to transition from reactive maintenance to strategic capital planning**. By leveraging data-driven insights from the FCAs, and adding value through IWMS integration, healthcare organizations can effectively establish a business case to justify infrastructure investments, ensuring long-term sustainability and improved patient outcomes.

Introduction

Maintaining safe, efficient, and reliable healthcare facilities is becoming increasingly challenging as facilities teams nationwide grapple with a common issue: aging infrastructure. This concern is so widespread that it was identified as the **top challenge** for hospital and health system facility managers in the **2024 ASHE Hospital Operations Survey**.¹

According to ASHE, U.S. healthcare facilities are facing an unprecedented infrastructure crisis, with an estimated \$390 billion in deferred maintenance.

This massive backlog is the result of years of underinvestment in capital replacements, an issue further exacerbated by the operational and financial strain of the COVID-19 pandemic. As a result, many hospitals are now urgently focusing on critical building systems, such as air handling units, elevators, and electrical infrastructure, to address safety risks and ensure compliance².

As infrastructure deteriorates, the risks multiply—leading to equipment failures, treatment delays, heightened infection risks, and increased strain on staff. Ultimately, these issues jeopardize what matters most: **delivering quality patient care**.



Despite the growing urgency, many facilities teams find themselves stuck in a cycle of reactive maintenance, without the resources or support to make proactive improvements. The result is a widening gap between what’s needed to maintain safe, compliant environments and what’s being funded—putting both operational stability and patient care at risk.

This guide explores:

- Why healthcare facilities teams struggle to secure capital investment
- How FCA data can be used to strengthen financial justification
- The role of an IWMS in turning FCA insights into actionable capital planning
- How to build a data-driven business case that leadership will approve



Chapter 1

Why Facility Managers Struggle to Secure Capital Investment

Understanding Hospital Leadership's Responsibilities

One of the most common challenges facility managers face is justifying capital investment for infrastructure improvements to leadership. Hospital executives are under pressure to maximize revenue and patient care outcomes, which means investments that offer a clear, short-term return, such as medical equipment, take precedence.

Clinical assets can be directly billed to patients and insurers, creating an immediate financial return. In contrast, investments in HVAC systems, electrical grids, and structural improvements do not generate direct revenue, making them harder to justify.

The 2024 ASHE survey highlights this challenge, citing aging infrastructure as the top concern for hospital facilities managers. In a survey of 430 hospital and health system facilities managers and executives:

80%

Aging infrastructure was the top concern for 80% of facilities managers.¹

1/2

Less than 1/2 of deferred maintenance funding was received.¹

43%

43% received 10% or less of their requested funding¹

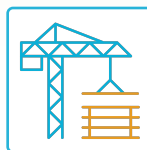
Common Barriers for Facility Teams



Lack of Financial Storytelling: Infrastructure requests are often framed as maintenance issues rather than financial opportunities.



Disconnected Asset Data: FCA data, maintenance logs, and capital planning tools exist in separate systems, making it difficult to build a strong business case.



Difficulty Quantifying ROI: Without clear financial metrics, leadership sees infrastructure spending as an operational cost rather than a long-term investment.

Common Questions Leadership Need Answers To

To approve funding for the infrastructure investment, executives need answers to the following questions:

- **Historical Maintenance Costs:** How much have we historically spent on maintaining this asset?
- **Replacement vs. Maintenance Costs:** What is the cost of replacement, and how does it compare to the cost of continued maintenance?
- **Operational Impact:** How much downtime and lost revenue has this asset caused?
- **Alignment with Strategic Goals:** Does replacing this asset align with sustainability and cost-reduction goals?

Chapter 2

Facility Condition Assessments – The Foundation of Capital Planning

What is an FCA and Why is it Important?

A **Facility Condition Assessment (FCA)** is a structured, visual evaluation of a healthcare facility's physical condition—including infrastructure, building systems, and finishes. Its purpose is to identify and prioritize deficiencies in relation to the asset lifecycle and the long-term sustainability of the facility, its patients, and its occupants.

FCAs are typically conducted by qualified professionals who evaluate individual assets and major building components such as HVAC systems, generators, electrical and plumbing systems, medical gas lines, building envelope, roofing, and facades. During the assessment, the assessor reviews details such as make, model, serial number, age, condition, maintenance history, and the estimated remaining useful life of each asset—drawing on both Original Equipment Manufacturer (OEM) data and their professional expertise.

The findings are then organized into key prioritized categories to guide informed decisions and aide capital planning efforts:

- **Immediate:** Critical failures or high-risk deficiencies that require urgent attention to avoid disrupting patient care, violating compliance standards, or compromising safety.
- **Short-Term:** Assets that are still operational but are nearing the end of their lifecycle and will require repair or replacement within 1–3 years.
- **Long-Term:** Strategic upgrades or replacements that can aid long range master planning—typically 4–10 years—to improve efficiency, reduce operational risk, and support evolving healthcare real estate and space utilization needs that drive revenue.



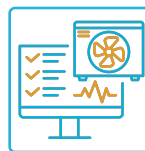
Turning FCA Data into a Financial Narrative

FCAs provide a wealth of valuable current condition data—but data alone doesn't secure funding. To earn leadership buy-in, healthcare facility teams must translate FCA insights into a strategic, financial gap analysis that aligns with organizational priorities like risk reduction, cost control, and quality of care.

The key is to present findings through metrics that resonate with decision-makers:



Facility Condition Index (FCI): A widely recognized benchmark that compares the cost of needed repairs to the overall replacement value—helping quantify facility health in a single score.



Total Cost of Ownership (TCO): Helps justify capital investment by comparing the cumulative costs of ongoing repairs and maintenance against the cost of asset replacement.



Risk Analysis: Highlights potential compliance issues, patient safety concerns, and the financial impact of infrastructure failure or downtime—framing FCA data in terms of organizational risk.

When framed effectively, these metrics turn technical data into a clear, evidence-based business case for investment—making it easier for leadership to prioritize funding decisions that support long-term operational resilience and patient care.

Chapter 3

How an IWMS Transforms FCA Insights

The Integration of FCA Data and IWMS Explained

FCAs provide essential insight into the health of infrastructure, but alone, these assessments are limited. To turn insight into action, facility teams need more than a report—they need a platform that tells a data-driven story.

An **Integrated Workplace Management System (IWMS)** bridges the gap between data collection and decision-making by transforming static FCA findings into dynamic, real-time dashboards.

These tools empower facility managers to clearly communicate needs and advocate for strategic investments.

While a **Computerized Maintenance Management System (CMMS)** focuses primarily on managing maintenance workflows—like scheduling, tracking, and completing work orders—an IWMS builds on this foundation by connecting maintenance to the broader operational landscape. It serves as a centralized platform that consolidates data across the entire healthcare ecosystem—including FCA results, maintenance records, asset performance, lease agreements, space utilization, energy use, and more. This unified view provides deep visibility into the full scope of facility operations and asset health, enabling smarter planning, greater efficiency, and more informed decision-making across the asset lifecycle.

How It Works

Asset Data Consolidation

Centralizes FCA results, maintenance records, and repair histories to create a complete, up-to-date picture of each asset's health and risk profile.

Real-Time Condition Monitoring

Tracks asset performance across your facilities, surfacing critical systems that require immediate attention or funding before they fail.

Lifecycle Cost Analysis

Compares the cost of ongoing repairs to the cost of replacement, helping facility leaders prioritize investments that deliver long-term value.

Work Order and Maintenance Trends

Identifies recurring failures or excessive maintenance activity—early warning signs that an asset may be nearing end-of-life.

Compliance and Risk Tracking

Maintains detailed documentation to ensure infrastructure remains compliant with regulatory standards, accreditation bodies, and internal safety requirements.

Space Utilization Optimization

Provides insights into how clinical and non-clinical spaces are being used across facilities—enabling smarter decisions about renovations, expansions, or repurposing to meet evolving patient care demands and organizational growth.

With all critical data in one place, facility teams can support more strategic, data-driven planning that aligns with clinical priorities, operational efficiency, and leadership objectives.



Chapter 4

Building a Data-Driven Business

Case for Leadership

Framing the Investment Conversation

Securing executive financial investment or infrastructure upgrades requires more than listing immediate needs — it demands a strategic, evidence-based approach that positions facilities as a driver of organizational value. Facility teams must shift the conversation from operational cost to long-term investment in safety, performance, and patient outcomes.

Key Steps to Building a Strong Business Case:



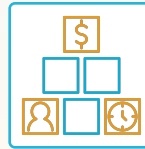
Gather the Right Data: Start with a strong foundation. Leverage insights from your Facility Condition Assessment (FCA), maintenance logs, asset performance data, compliance reports, and cost benchmarks. This establishes credibility and shows the full scope of infrastructure needs.



Compare Cost of Action vs. Inaction: Use data to show the financial consequences of doing nothing. Include the rising costs of emergency repairs, unplanned downtime, deferred maintenance backlogs, and potential regulatory penalties. A clear cost-benefit analysis helps illustrate the return on proactive investment.



Align with Leadership's Goals: Connect infrastructure needs to broader organizational objectives. Highlight how proposed investments support patient safety, satisfaction, operational resilience, energy efficiency, and sustainability targets. Framing the conversation around these priorities increases executive alignment.



Use Software for Scenario Modeling: Leverage software like an IWMS and its capital planning tools to create visual, real-time scenarios. Show how funding different projects affects cost, risk, compliance, and care delivery. Scenario modeling empowers leadership to make data-informed decisions and weigh trade-offs with confidence.

64%

of healthcare facility managers say linking infrastructure to patient care is the most effective way to secure funds.¹

59%

of healthcare facility managers say tying upgrades to regulatory compliance strengthens the case for funding.¹

For example, a large health system uses its IWMS to centralize FCA data, historical maintenance logs, and compliance records across dozens of facilities. This unified view reveals aging HVAC systems and emergency power units that pose critical risks. With real-time dashboards and lifecycle cost analysis, the facilities team prioritizes projects based on risk, cost, and clinical impact. They present a clear business case aligned with patient safety, sustainability, and operational goals. As a result, leadership approves a phased investment plan, reducing deferred maintenance and strengthening long-term infrastructure performance.

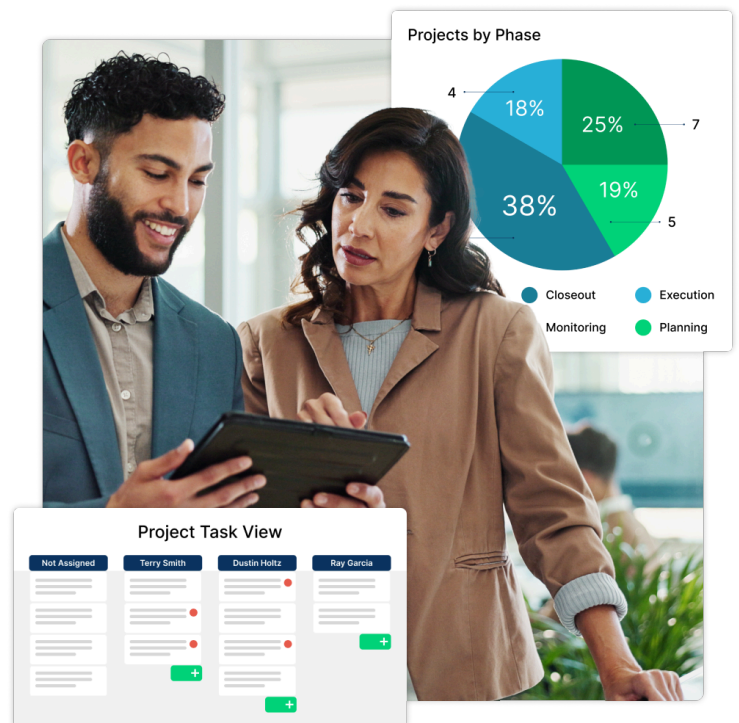


Chapter 5

How Nuvolo Supports Healthcare Facilities Teams

At Nuvolo, we empower healthcare organizations to move beyond static assessments and turn facility data into actionable strategy. By integrating FCA results with real-time asset performance, maintenance history, space utilization, and capital planning tools, all within a single, cloud-based IWMS platform, Nuvolo gives facilities teams the visibility they need to prioritize investments, extend asset life, and reduce patient risk.

Our solution, [Connected Workplace for Healthcare](#), helps bridge the gap between clinical operations and space and infrastructure planning. This enables leaders to make informed, data-driven decisions that support patient care, regulatory compliance, and long-term sustainability. With Nuvolo, facility teams don't just manage assets—they unlock their strategic value.



Sources:

1. Headley, M., & Morgan, J. (2024, December 15). Results of the 2024 Hospital Operations Survey. Health Facilities Management. <https://www.hfmmagazine.com/results-2024-hospital-operations-survey-0>
2. Dimick, C., & Morgan, J. (2024, March 14). 2024 Hospital Construction Survey results. Health Facilities Management. <https://www.hfmmagazine.com/articles/4944-2024-hospital-construction-survey-results>

