

physicians' practices are changing with storefront offices becoming commonplace.

This trend toward smaller decentralized clinics has prompted such institutions as the Mayo Clinic to explore the desirability of establishing a network of satellite clinics for walk-in patients. In this context, a satellite Mayo Clinic was opened in Jacksonville, Florida in 1986 and a second satellite is planned for 1987 in Scottsdale, Arizona. In the event that these two satellite clinics prove successful, others are planned.

While alternative health care facilities are being established throughout the United States, it can be expected that the largest concentration will be in those states and communities with a large and expanding elderly population. Based on current trends and projections, eight states will be the prime focus for such facilities - New York, Ohio, Illinois, Pennsylvania, Florida, Texas, California and Arizona (Fig.9).

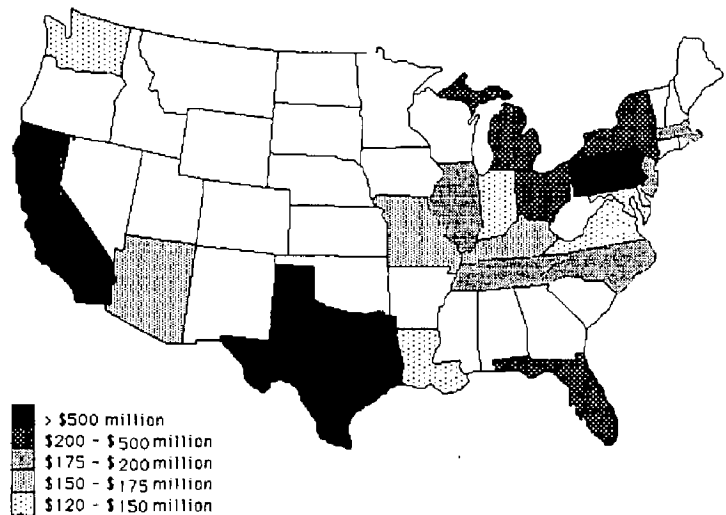


Figure 9: Value of Construction of Health Facilities in Top 20 States, 1986

Source: ENR, McGraw-Hill Inc., Jan.22 1987

Research facilities are a growing market.

The cost constraints of the Prospective Payment System are also causing financial problems for teaching hospitals. One result is that there appears to be a growing market for the construction of research-oriented facilities in association with medical schools. The regulations of the Prospective