

RSNA 2017 in Chicago: South Building, Hall A, Booth 1937

Performance through Partnership: Asset Management Services

- Asset Management Services provide a flexible and specialized partnership to transform care delivery
- Management of all medical equipment concerns throughout the entire contract life-time
- Reduced financial and operational risks

A fundamental change in healthcare markets has continued and, in some regions, is accelerating. For example, an ongoing reduction of funding in the face of rising demand is evident in the UK. While the number of imaging and radio-diagnostic examinations has increased by 43% from 2000 until 2013, the growth of real-term funding has stalled over the same period and is expected to go down by 2% between 2015 and 2020¹. Important also is the growing focus on quality of care. In the US, 90% of payments are expected to correlate to quality or outcomes (such as a reduced hospital readmission rate) by 2018². It is clear that healthcare providers will have to make both ends meet – constantly increasing efficiency and lowering costs while at the same time improving quality of care.

One of the most promising ways to align the goals of improving outcomes at reduced costs, thus transforming care delivery and increasing patient experience, lies in a close collaboration with a reliable industry partner. Siemens Healthineers provides Asset Management Services that give healthcare providers access to the latest technology and helps them improve workflow as well as productivity and transform care delivery.

¹ „Working differently to provide early diagnosis – Improving access to diagnostics,“ Deloitte, 2013.

² U.S. Department of Health & Human Services, press release, January 26, 2015.

Asset Management Services (AMS) provide medical technology as a service with associated service performance commitments. This can range from multi-vendor technology fleet maintenance as a service through to multiple (multi-vendor) technology lifecycles as a service. The core AMS portfolio from Siemens Healthineers currently includes two distinct offerings:

1. Multi-vendor Maintenance Services (in some markets known as Integrated Service Management – ISM) which comprise a single service contract to cover maintenance of a fleet of medical technology assets with a view to optimising overall maintenance cost.
2. Full scope Asset Management Services (in some markets known as Managed Equipment Services, MES) which comprise a single service contract to cover provision of complete lifecycles for a fleet of medical technology assets with a view to optimising overall cost of ownership.

“In around 70 percent of medical procedures at a physician's office or a hospital, imaging or laboratory analyses are necessary. This means imaging and laboratory results are at the core of patient care. Therefore, it is business critical for a healthcare provider that the medical equipment in the imaging and laboratory departments is operating efficiently and reliably”, says Alex Byrne, Head of Asset Management Services at Siemens Healthineers.

AMS deliver improved medtech performance and optimized financial return. AMS can include wider service provision such as managing turnkey works (facility and room enabling) and operating consumables. It often includes financing to enable a unitary fixed payment, thereby optimizing cash-flows.

Optimizing Equipment

Full scope AMS are often part of a Public Private Partnership (PPP) and typically cover a period of 10–25 years, sometimes longer, for a fixed annual fee. AMS manage all the healthcare providers' medical equipment concerns throughout the entire contract life-time, including ownership, provision, purchase, installation and commissioning, user training, asset management, maintenance and ongoing replacement. Moreover, Siemens Healthineers offer so-called 'multi-vendor' AMS. This means, besides Siemens Healthineers equipment, non-Siemens Healthineers products can be offered within the service. The AMS

allow the hospital's staff to take care of the patients, while Siemens Healthineers takes care of the technology.

Continuous servicing and comprehensive training programs are included to get the most from the medtech investment. Siemens Healthineers understands that when there is a need to treat more patients more quickly, reliability is key. That's why Siemens Healthineers is helping customers achieve a reduced downtime. By providing regular service reports and analyses, Siemens Healthineers proactively manages performance and reliability issues.

Planning and Financing

Having a fixed annual fee for AMS reduces complexity and gives the healthcare provider increased budgetary surety. Siemens Healthineers offers a variety of infrastructure and equipment financing instruments, depending on need and local conditions. Precious and scarce capital is freed up through an efficient, transparent financing arrangement.

Professional Project and Program Management

Project managers from Siemens Healthineers provide smooth execution during the start-up and operational phases of AMS. Planning and Workflow experts optimize relevant clinical processes throughout the AMS contract. By engaging with Siemens Healthineers Transformation and Advisory Services early in a project, improved hospital design and equipment specification/utilization are built in.

Latest Customer Cases: Performance through Partnership

William Osler Health System, Etobicoke and Brampton, Canada - contract signed in 2015

When one of Canada's largest community hospitals, serving a population of more than 1.3 million people, faced the challenge of ensuring that the diagnostic imaging equipment is able to meet the requirements of diagnosing more complex diseases with funds continually shrinking, the AMS from Siemens Healthineers were the solution. For a contract time of 15 years, Siemens Healthineers will provide a comprehensive suite of management services for the majority of the medical imaging equipment throughout all of Osler's hospital sites. One key consideration in awarding Siemens Healthineers the contract was that it offer a

strategic partnership approach beyond the traditional product business. This means more than offering just excellent technology and service. “We now have a great partner who can help us to look at best practices, best workflow and optimal outcomes for our patients”, says Dr. Joseph Fairbrother, Corporate Medical Director and Chief of Diagnostic Imaging William Osler Health System, Etobicoke and Brampton, Canada. The AMS contract, worth €110 million, includes the procurement, replacement and maintenance of some 190 vendor-neutral diagnostic imaging equipment items for radiology and cardiology. Among them are ultrasound and x-ray equipment, angiography solutions, computed tomography scanners, magnetic resonance systems, as well as molecular imaging equipment. Within the scope of this contract, Siemens Healthineers also offers financing and clinical solutions, professional services, room renovations, training for clinical users as well as onsite technical support.

Sandwell and West Birmingham Hospitals NHS Trust, United Kingdom - contract signed in 2016

Sandwell and West Birmingham Hospitals NHS Trust (the Trust) has awarded Siemens Healthineers a cooperation contract worth around €50 million. The Trust is an integrated care organization which is responsible for the care of 530,000 local people in the mid-west UK. For a contract life-time of 10 years, Siemens Healthineers will provide four hospital sites with a comprehensive suite of management services and solutions for all of its medical imaging equipment. However, the partnership not only includes Managed Equipment Services. As part of the customer’s team, Siemens Healthineers experts will help to optimize processes in the hospitals and design technology roadmaps to provide the most relevant and updated technology at all times. The Managed Equipment Service partnership includes the provision, renewal and maintenance of imaging equipment such as computer tomography, magnetic resonance, ultrasound, X-ray and molecular imaging, all underpinned by solutions to support operational and clinical efficiency. Within the scope of the contract, Siemens Healthineers will also offer financing, professional services, room planning, training for clinical users as well as onsite technical support. The collaboration plans to increase the quality of care as well as improve clinical outcomes for patients and to oversee that the technology available is the best fit at any time.

Admiraal De Ruyter Ziekenhuis (ADRZ), Netherlands - contract signed in 2016

Dutch hospital Admiraal De Ruyter Ziekenhuis (ADRZ), based in Goes, and Siemens Healthineers have signed an agreement to build and supply equipment for six operating theaters, including a hybrid OR. Siemens Healthineers will build the new building complex with its partner companies Engie and Jan Snel. Under an AMS agreement, Siemens Healthineers will also equip the new operating theaters with medical systems and service and update the equipment for ten years. Once the construction work is completed, Siemens Healthineers will act as lessor, leasing both the new building and the medical systems to ADRZ. This model will enable ADRZ to handle a major investment without having to provide large capital expenditure. Earlier this year, the hospital operator and Siemens Healthineers entered into a similar agreement to build ADRZ's new Nuclear Medicine Center in Goes. In this case also, Siemens Healthineers will be involved in the construction and will supply the medical systems on an AMS basis. With 2,200 employees and 23,000 hospitalizations annually, ADRZ is the biggest hospital in the Zeeland Province in the southern part of the Netherlands. The new complex housing six operating theaters will be completed in February 2017. The total project cost is more than EUR 10 million.

Contact for journalists

Marion Bludszuweit

Phone: +49 9131 84 7803; E-mail: marion.bludszuweit@siemens-healthineers.com

Siemens Healthineers is the separately managed healthcare business of Siemens AG enabling healthcare providers worldwide to achieve better outcomes at lower costs by empowering them on their journey towards expanding precision medicine, transforming care delivery, improving patient experience and digitalizing healthcare. A leader in medical technology, Siemens Healthineers is constantly innovating its portfolio of products and services in its core areas of diagnostic and therapeutic imaging and in laboratory diagnostics and molecular medicine. Siemens Healthineers is also actively developing its digital health services and enterprise services.

In fiscal 2017, which ended on September 30, 2017, Siemens Healthineers generated revenue of €13.8 billion and profit of €2.5 billion and has about 48,000 employees worldwide. Further information is available at www.siemens.com/healthineers