COCIR workshop
Fostering Financial Sustainability of Healthcare Systems
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Outline of COCIR report

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European Healthcare Challenges

- **Rising expenditures**
  - ✓ rise in demand
  - ✓ public health threats
  - ✓ equal access to care

- **Scarce resources**
  - ✓ staffing issues
  - ✓ health spending cuts
  - ✓ budgetary and fiscal pressure

Hospital of Today

- Part of an integrated healthcare delivery system

- Networking of primary and secondary care facilities

- Connected and coordinated healthcare organisations place the patient at the heart of the healthcare process

- Requires a major shift moving from acute care to the sick to supporting the health of the overall population

- Changing landscape needs adaptation by using eHealth and healthcare technologies

Medical technologies and eHealth key for improving efficiency

Medical technologies:

- Prevention
- In-vitro diagnosis
- Imaging

eHealth to connect people:

- Enabler of change in social and health services delivery
- Coherent vision of eHealth with short & long-term political goals

Targeting investments which facilitate integrated care will:
- Improve the quality, productivity, safety, effectiveness and efficiency of healthcare delivery in the short-term,
- Support a more sustainable high-quality healthcare services for more people at less cost.

Procurement process and availability of healthcare technology

- The technology must be 'always available'

- Need to optimise usage of technologies, incl. training, upgrades, patient workflow and processes

- The traditional procurement process does not always guarantee the best usage of the technology

Healthcare transformation through new business and financing models Managed Services

- **Definition:** The technical infrastructure made available against a fee and the contract is for a longer period of time

- **Characteristics:**
  - ✓ Capital asset and technology management plan
  - ✓ continuous training and education
  - ✓ integrator services
  - ✓ workflow management
  - ✓ R&D, hosting services

- **Benefits for the hospital:** No capital up-front, simplified purchasing process, predictable operational costs, reduction of risk, state-of-the-art equipment, reduction of running costs, highly-trained staff

Healthcare transformation through new business and financing models Public Private Partnership

- **Definition:** A long-term (25-30 years) partnership between a public-sector authority, healthcare provider(s) and companies for modern, state-of-the-art healthcare infrastructure.

- **Characteristics:** Special Purpose Vehicle (SPV) constructed in which private companies take care of the whole hospital incl the buildings.

- **Benefits for the hospital:** Same as MS, but can have some other challenges.

Managed Services and PPP models allow healthcare providers to renew their infrastructure at no, or much lower capital requirements, while reducing the risks of operations.

EU Cohesion Policy fund to support investment in healthcare

Current challenges:

- Absorption in Member States progressing slower than expected
- Lack of knowledge, resources & experts to prepare sound projects
- Financial issues: co-financing requirement, lack of cash flow
- Procurement procedures too lengthy and lacking transparency

Optimising utilisation:

- Member States and their regions need to prioritise funding for healthcare under the 2014-2020 Cohesion Policy programme
- Member States and their regions should be able to have access and share best practices from across Europe
- The European Commission should create mechanisms facilitating an optimal use of the funds

4 key recommendations

1. Better use of healthcare and ICT technology and solutions

2. Managed Services and Public Private Partnerships should be considered in all Member States

3. Procurement criteria need to match the demand of the healthcare provider

4. The European Commission should ensure and facilitate, at national and regional level, the use of Cohesion Policy funds and encourage Managed Services and Public Private Partnership projects

Report available on www.cocir.org

Launch on 18 March 2013
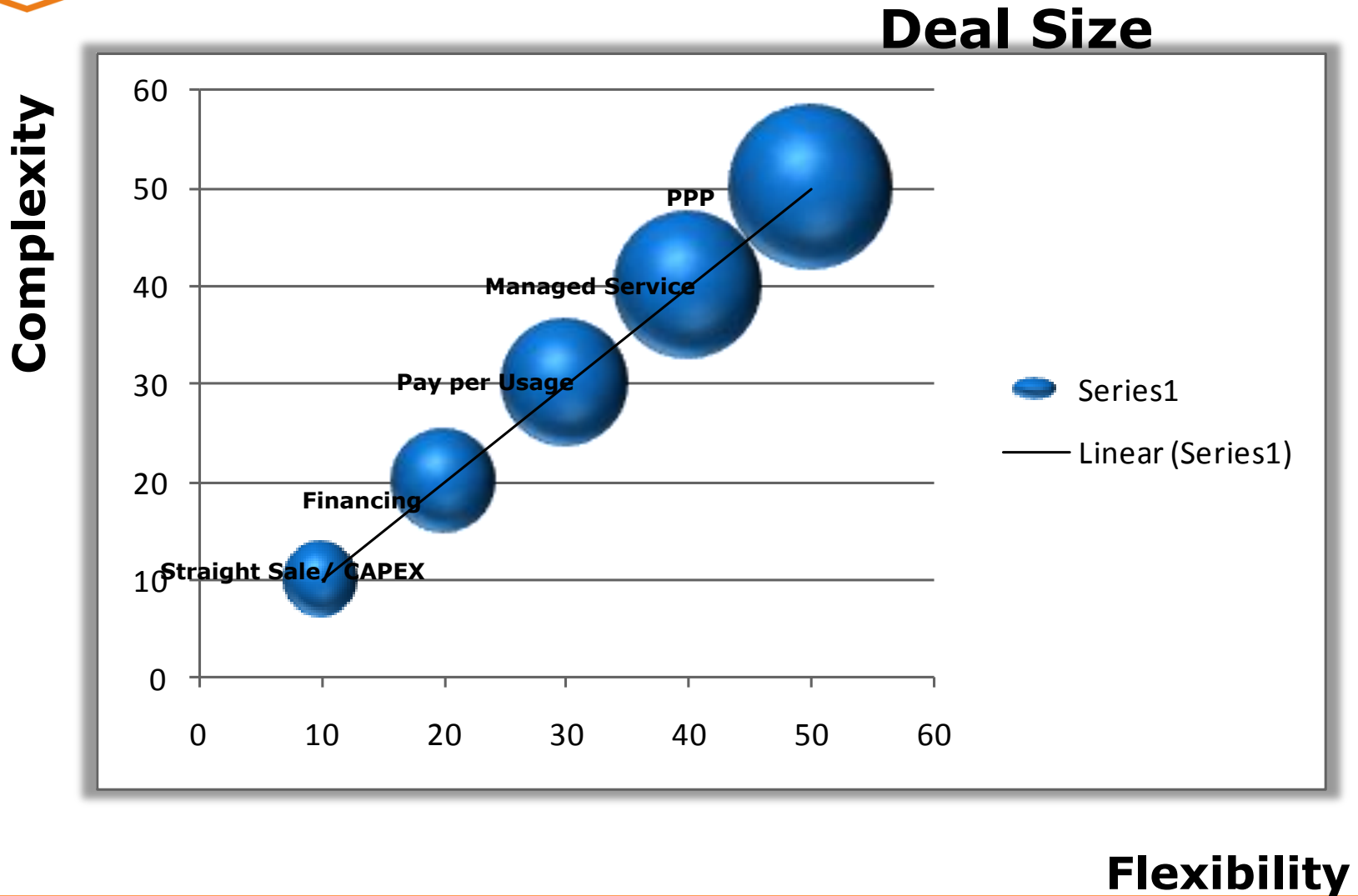
in Brussels in presence of the Commissioner

Tonio Borg as a Keynote Speaker

COCIR collected key best practices

Investment Solutions

Deal Size

Region Hovedstaden - Denmark

- **Category:** Capital Investment and Managed Services
- **General overview and customer ambition:**
  - ✓ Region Hovedstaden, capital region of Denmark, started in 2011 the selection of a health ICT vendor
  - ✓ Requirement: consolidate RIS/PACS environment across its 13 hospitals
- **Customer needs and key challenge:**
  - ✓ Use regional diagnostic resources in a more efficient way across the hospitals
- **Solution and benefits:**
  - ✓ Enable radiologists to have access to the patient's complete history of radiology images and reports across the region
  - ✓ Improve the quality of care and save costs
  - ✓ Secure access to patients' data for their patients
- **Key figures:**
  - ✓ 13 hospitals employing 36,000 staff and producing 1.6 million radiology examinations / year

Région Sans Film - France

- **Category:** Managed Services
- **General overview and customer ambition:**
  - ✓ Initiative from French Ministry of Health in 2009 to deliver PACS and RIS health ICT applications to the Ile-de-France region
  - ✓ Drive productivity and increase efficiencies through rapidly increasing usage of digital technology
- **Customer needs and key challenge:**
  - ✓ Deliver PACS and the archiving of imaging services from the cloud as well as image distribution to the local general practitioners via the internet
- **Solution and benefits:**
  - ✓ Increase in productivity
  - ✓ Reduction of duplication, easier access to patients' images
  - ✓ Decrease of cost per exam
- **Key figures:**
  - ✓ 29 million euro project, 12 million inhabitants
  - ✓ 93 hospitals, 100+ private practices, 500+ radiologists

Murcia area - Spain

- **Category:** Managed Services
- **General overview and customer ambition:**
  - ✓ 15-year PPP contract to open 2 government-run hospitals in 2011
  - ✓ Satisfy healthcare needs, equip hospitals with state-of-the-art medical technology, enhance quality of the state-funded healthcare sector
- **Customer needs and key challenge:**
  - ✓ Remain competitive and be able to offer the best possible and cost-efficient treatment to patients
  - ✓ Satisfy growing healthcare demand in a rural area
  - ✓ Access to the latest imaging and lab technology and IT
- **Solution and benefits:**
  - ✓ The industry provided the hospitals with 18,500 items including 100 imaging systems and set up the ICT and lab systems
  - ✓ Financing and planning certainty, guarantee of innovations, quality enhancement, workflow consultancy, increased efficiency
- **Key figures:**
  - ✓ 2 hospitals, 656 and 329 beds

Hospital Sant Pau- Spain

- **Category:** PPP and Managed Services
- **General overview and customer ambition:**
  - ✓ Project signed in 2009 in largest hospital in Spain (Barcelona)
  - ✓ Be a world class healthcare provider and a renowned centre for treatment, research and education
- **Customer needs and key challenge:**
  - ✓ Hospital moving to new building: fully equip it by moving existing equipment and incorporating new items
  - ✓ Scale-up new imaging department
- **Solution and benefits:**
  - ✓ A 10 year partnership beyond equipment: equipment in the imaging department, renewal of technology, procurement, capital asset plan, research collaboration, fixed monthly fee for total service
  - ✓ Future proofing technology, transferring technology risk to the medical equipment provider, collaborative approach, performance guarantees
- **Key figures:**
  - ✓ 34,000 admissions, 150,000 emergency cases, 71 beds for day admission, 634 hospitalisation beds, 19 surgical rooms

Valencia Province - Spain

- **Category:** Public Private Partnership
- **General overview and customer ambition:**
  - ✓ Patient Care Programme initiated 12 years ago by Valencia Province with a complete patient care system accessible to everyone at an affordable price
- **Customer needs and key challenge:**
  - ✓ Patients had poor access to healthcare, long waiting times, long travel distance with high costs
- **Solution and benefits:**
  - ✓ PPP model where providers are private investors for public healthcare
  - ✓ No waiting time, screening programs, private rooms, home care, patient healthcare programmes
  - ✓ Patient has free choice of healthcare provider
  - ✓ Hospital quality management using latest e-health technology
- **Key figures:**
  - ✓ Patient satisfaction rate >9, Costs per capita 600€ (2012) Average days of hospitalisation 4,2

Queen's Hospital - UK

- **Category:** Managed Services
- **General overview and customer ambition:**
  - ✓ Queen's Hospital in Romford opened in 2006 and brought together the services previously run in two other hospitals
- **Customer needs and key challenge:**
  - ✓ Ensure high quality medical equipment with high availabilities without using too many resources for management and procurement
- **Solution and benefits:**
  - ✓ 33-year vendor independent Managed Services agreement
  - ✓ Transferring risk to the provider
  - ✓ Right equipment, right time: more flexibility in using latest technology when needed
- **Key figures:**
  - ✓ 700,000 inhabitants, 939 beds

Royal Victoria Hospital - UK

- **Category:** Managed Services
- **General overview and customer ambition:**
  - ✓ Biggest hospital complex in Northern Ireland signed a project in 2006 to improve health and wellbeing and reduce health inequalities
- **Customer needs and key challenge:**
  - ✓ 10-12 years plan of redevelopment including creation of a new imaging centre
- **Solution and benefits:**
  - ✓ 15-year multi-vendor partnership that goes beyond equipment
  - ✓ Future proofing technology, transfer technology risk to provider, guarantee performance, service management, profit sharing, asset management, consultancy, education
- **Key figures:**
  - ✓ 4 hospitals, 7,000 staff
  - ✓ 80,000 admissions, 350,000 outpatients, 40 emergency/intensive care beds, 500 day hospital beds, 15 surgical rooms

Conclusion

- All these models have their mutual target:

  ✓ Improve the quality, productivity, safety, effectiveness and efficiency of healthcare delivery in the short-term,

  ✓ Support a more sustainable high-quality healthcare services for more people at less cost.