

Worcestershire
Royal Hospital /
Acute Hospitals
NHS Trust (UK)

**A case study in
budgetary
stability
and quality of services**

Worcestershire Royal Hospital embraces benefits of Managed Equipment Services

NHS finance directors want the smoothing effect of budgetary certainty. Radiology managers are looking for a guarantee that their machines will be replaced regularly without them having to argue the case or wait until the device breaks, with smooth service continuity. Staff would rather avoid the need to manage repairs and safeguard availability, and prefer to focus on patient care instead. For good reasons such as these, as well as to improve reputation, quality and financial performance, the Worcestershire Acute Hospitals NHS Trust decided to outsource the management of their equipment. This was the starting point of the collaboration with Siemens.



When the new building complex for the Worcestershire Royal Hospital was developed, the Worcestershire Acute Hospitals NHS Trust partnered with Siemens Healthineers as its Managed Equipment Services (MES) provider in 1999. This PFI (Private Finance Initiative) contract covering around 27,000 assets runs until 2031. It includes the supply, replacement and maintenance of all medical imaging equipment. Today, staff in Worcester are highly satisfied with this working partnership.

Reconfiguration of services has been happening across the NHS

There is a trend towards larger catchment areas. Dr Jeremy Thomas, who is the Chair of the Investment Committee on the side of the Trust, says: "In Worcestershire, there used to be three distinct general hospitals which all supplied a full range of services. Over time, the role of these hospitals is changing – and reconfiguration is not just happening here, but across the NHS. A growing population and rising demand on services means we have to make sure we can do the best we can with the resources available, such as reducing duplication and centralising specialist services so we can ensure they are safely and appropriately staffed with the right level of expertise.

Combining flexibility with budgetary certainty safeguards the Trust in a changing environment

These dynamically changing conditions provided the backdrop when decision-makers came together in 1999 to discuss the medical equipment strategy for a planned new hospital complex. It became obvious that flexibility would be a key component – flexibility regarding the types of modalities depending on emerging clinical needs, the times when they would be replaced, and also the geography.

The Trust was also aiming to achieve robustness for their financial planning and operational processes: fixed fees could replace the large lump sums for investments and repair costs which were hard to predict and plan for. Furthermore, in order to provide the medical services which constitute its core business, uptime for the equipment had to be at the highest achievable level.

"The Trust was looking for a large partner who has a strong negotiating position with equipment suppliers", remembers Dr Jeremy Thomas. "Even if the contract is vendor-independent, an established manufacturing base was considered important for its potential of better product prices thanks to larger volumes and negotiating power regarding fixed cost of servicing and longer-term warranty. Planning ahead has not been a strong point in the NHS – expertise from a well-reputed vendor was very much welcome."

Asset Management Programs and the Managed Equipment Service (MES)

Worcestershire Royal Hospital's MES contract was developed from Siemens Healthineers' Asset Management portfolio. This tailored program provides a flexible and specialized partnership to provide hospitals with access to innovative medical technology and services. This healthcare partnership typically covers a period of 10 to 25 years (sometimes longer), for a fixed annual fee.

Working under the MES contract has meant staff has had to undergo a culture shift

Before the MES procurement planning time and solutions within the Trust were worthy of improvement. Money spent was not accurately planned. Therefore, when the new 550-bed hospital opened in 2002 the most widely perceived benefit to the Trust was the enhanced efficiency of the MES procurement process delivered by Siemens Healthineers – not only with regards to financial aspects, but also in terms of quality.

"Working under an MES contract has meant our staff has had to undergo a culture shift", explains the MES Project Lead. Suspicion regarding the involvement of a private company had to be overcome. But everyday experiences soon led to overall embracement of the new setup. "When a device breaks and Siemens Healthineers fixes it quickly, the user's experience is just so much better compared to the situation before. Prior to the MES, teams would need to wait for a long time for parts for an out-of-service device to arrive, and for someone to find the time to repair it. With our MES partner, all this happens swiftly." Comprehensive training offered by Siemens Healthineers was also very much appreciated by staff.

Simplified reporting

When the inspectors from the Care Quality Commission request information about device maintenance, they are often referred to Siemens Healthineers, who are accurately managing recordkeeping and traceability. This reduces the workload of staff.



"This contract has brought us all we asked for. The contract with Siemens Healthineers takes away all the woes of managing equipment servicing."

Dr Jeremy Thomas
Chair of the Investment Committee on the side of the Trust

About Worcestershire Acute Hospitals NHS Trust

The Trust has three main sites: Alexandra, Kidderminster, and Worcestershire Royal Hospital on which this case study focuses. The wide range of hospital-based services is made available to a population of more than 550,000 people in Worcestershire as well as for patients from surrounding counties and further afield. In 2014, about 2,000 patients were treated at the hospital every day. The Trust employs more than 5,500 members of staff and has an annual turnover exceeding £360 million.

By outsourcing equipment management the Trust is able to fully focus on its core task: patient care

Under the MES contract, the risks related to clinical staff productivity are better managed. Clinical staff are more satisfied with the MES, as the workload has decreased. Furthermore, refreshed schedules minimise the disruption to clinical service. The flexibility on equipment replacements has also been very valuable. "As a consequence, the clinical staff are able to concentrate on their core tasks", underlines Dr Jeremy Thomas.

The hospital has achieved defined performance targets thanks to the impressive installation of radiology equipment. Preplanning by Siemens Healthineers and its ability to install equipment very quickly have proven to be outstanding.

"The quality of equipment service provision that we get has never been an issue. An adequate amount of uptime has been reached. We have achieved flexibility regarding time, nature, content and clinical need in the context of replacements. This has also led to improved quality of care."

The management of replacements and change control measures has prevented an increase in Trust expenditure. Outgoing Radiology Superintendent Wendy Paterson, who has worked with the Trust from before inception of the MES, comments: "We monitor the demand for our medical services. When it was time to replace one of our fluoroscopy rooms, in the context of decreasing utilisation of these machines, we put in a request for changes to the Trust and negotiated replacement by a CT scanner." Siemens Healthineers MES contracts are flexible and can be adjusted according to changes in clinical requirements. She very much appreciates Siemens Healthineers' collaborative approach on this modification to the scope of the partnership.

This partnership has proven to be the right decision for the Trust

"Key indicators of the contract such as uptime of equipment and appropriateness of service do not adequately describe the real benefits", says the Chair of the Investment Committee. "Having now negotiated a better deal, the cost savings for replacements have been enormous, the improvement to device specifications has been highly

“Siemens Healthineers has been providing a competent service and quick response in the event of break-downs. Their on-site team allows for instant access to technical engineering. Ordering pass-through items is quick and easy – often within a day compared to a week on average outside an MES contract. Our good partnership with Siemens Healthineers is personal and interactive.”

Tracy Robson
Incoming Radiology Superintendent



significant, and the time saved for managing the device landscape should not be underestimated. Replacements are provided so much quicker nowadays. There have been no downsides whatsoever.”

“Siemens Healthineers is an excellent partner who will listen to our needs. We couldn’t do without its help. Siemens Healthineers is ace. It is the people who make the difference.”

The scope of the partnership could even enlarge in the future

“I believe the contract has been a resounding success. However, I’d like to make it much bigger, legal provisions permitting”,

MES in action – improving diagnostic services

Key to the successful partnership in Worcester is Siemens Healthineers’ customer-centric approach. Even more importantly, both sides are aware they are working together to produce the best results for patients through guaranteed availability of state-of-the-art equipment.

explains Dr Jeremy Thomas. Marisa Roberson, Deputy Lead Superintendent concludes: “We get our equipment replaced on a regular basis, which is great. The hindrance is that whenever work on the building is involved, it always costs a lot more.”

Dr Jeremy Thomas would therefore welcome a contract clause saving up for estate cost for replacements and installations which require building works to achieve a real turn-key solution.

Tracy Robson, who has worked under the MES in a different department within the Trust before, is looking forward to continuing the close collaboration with the Siemens Healthineers MES team, as she is taking over Wendy Paterson’s position.

The MES contract has helped Worcestershire Royal Hospital to ...

- improve patient satisfaction
 - improve staff retention
 - create financial transparency and stability
 - realise its long-term clinical service strategy
 - keep their medical equipment up to date
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The products/features and/or service offerings (here mentioned) are not commercially available in all countries and/or for all modalities. If the services are not marketed in countries due to regulatory or other reasons, the service offering cannot be guaranteed. Please contact your local Siemens Healthineers organization for further details.

The statements by Siemens' customers described herein are based on results that were achieved in the customer's unique setting. Since there is no "typical" hospital and many variables exist (e.g., hospital size, case mix, level of IT adoption) there can be no guarantee that other customers will achieve the same results.

Siemens Healthineers Headquarters

Siemens Healthcare GmbH
Henkestr. 127
91052 Erlangen
Germany
Phone: +49 9131 84 0
[siemens.com/healthineers](https://www.siemens.com/healthineers)