



Admiraal
De Ruyter
Ziekenhuis
(NL)

A case study in **innovative** partnership solutions

Executive summary

Innovative and comprehensive partnership responds to a challenging healthcare market in the Netherlands



Admiraal De Ruyter Ziekenhuis (ADRZ) is overcoming the challenges of a healthcare provider with a strong partner: Siemens Healthineers. The 10-year-long strategic partnership includes providing medical equipment, building works, financing, and management services. This collaboration has and will continue to yield significant clinical, operational, and financial outcome.

Partnership value at a glance

- **Design, construction, and leasing of six standardized operating rooms** to improve quality of health services to patients
- **Efficient primary care** offered to roughly 248,000 people in the region
- **10% lower turnkey investment** compared with conventional solutions
- **Rapid availability** of the new infrastructure in very short time (15 months for preparation and realization until completion)
- **> €11,7 million capital freed up** through embedded financing solution for other urgently needed investments

ADRZ: Staying competitive

ADRZ needed to make changes in order to continuously improve its delivery of healthcare services



For some years, ADRZ has been focusing on redeveloping its care processes to provide more effective healthcare services. The management team decided to centralize the entire range of acute and comprehensive care at the hospital site in Goes. Predictable disease care is now bundled and provided at the second location in Vlissingen. This was the first step toward standardizing and optimizing healthcare management to improve the quality of care. The next stages required embarking on a partnership with a technology partner.

About ADRZ:

- Mid-sized hospital with 500 beds
- Largest healthcare provider in the Zeeland region
- 2,200 employees
- 23,000 hospitalizations annually
- Two facilities in Goes and Vlissingen



Gaston Suy, Sector Manager OR & Procurement,
ADRZ at Goes/Vlissingen, Netherlands

"In 2015 we were in a difficult financial position and we were unable to finance new infrastructure with a bank loan or other financial constructions. But our infrastructure was quite old, so we desperately needed some new investments."

The challenges

The ADRZ healthcare system needed a strategic partner to invest in infrastructure and technology, due to budgetary constraints

ADRZ is a good example in the Netherlands of a situation in which a new form of strategic partnership had to be established in order to open up new possibilities.

ADRZ is a Dutch hospital that was experiencing a major challenge in remaining an attractive and successful healthcare institution for patients in the region. Changes in the organizational structure in order to improve efficiency became a critical need at ADRZ. As a result, nuclear medicine was moved to Goes, where a new building complex had to be planned. In addition, a large portion of the hospital system's technology had to be replaced to keep up with the rising demand from patients. To achieve all this, a major investment and innovative solutions were required.

ADRZ had to face the following key challenges:

- Remain competitive in the Dutch healthcare market
- Improve and expand medical facilities due to more demand
- Expand and modernize its technology with access to innovation
- Finance all the required investments to improve healthcare services

Market challenges

- Life expectancy is continuously increasing
- Medical expenses per capita have doubled in the past 20 years in the country
- Various market regulations have been introduced in the Netherlands to help manage the cost increases on a system level resulting from these challenges
- Healthcare institutions that cannot adapt to these changing conditions face the risk of losing economic competitiveness as well as patients, and even entire medical specialties



Gaston Suy, Sector Manager OR & Procurement,
ADRZ at Goes/Vlissingen, Netherlands

“The AMS partnership gives security for the next ten years. This makes life a lot easier and gives energy to focus on healthcare, and that is what we really want. Due to the AMS we already had a close relationship with Siemens Healthineers and there was great mutual trust. This was when we started to take the next step to commonly elaborate a health infrastructure project. And Siemens Healthineers made the urgently necessary investment possible and realized this project in an incredible fast and smooth way. The feasible change with this new construction is extreme incredible. We now can deliver save and modern healthcare to our patients. That’s our biggest advantage.”

The solution

A strategic, long-term turnkey and Managed Equipment Services (MES) partnership model to build new healthcare infrastructure

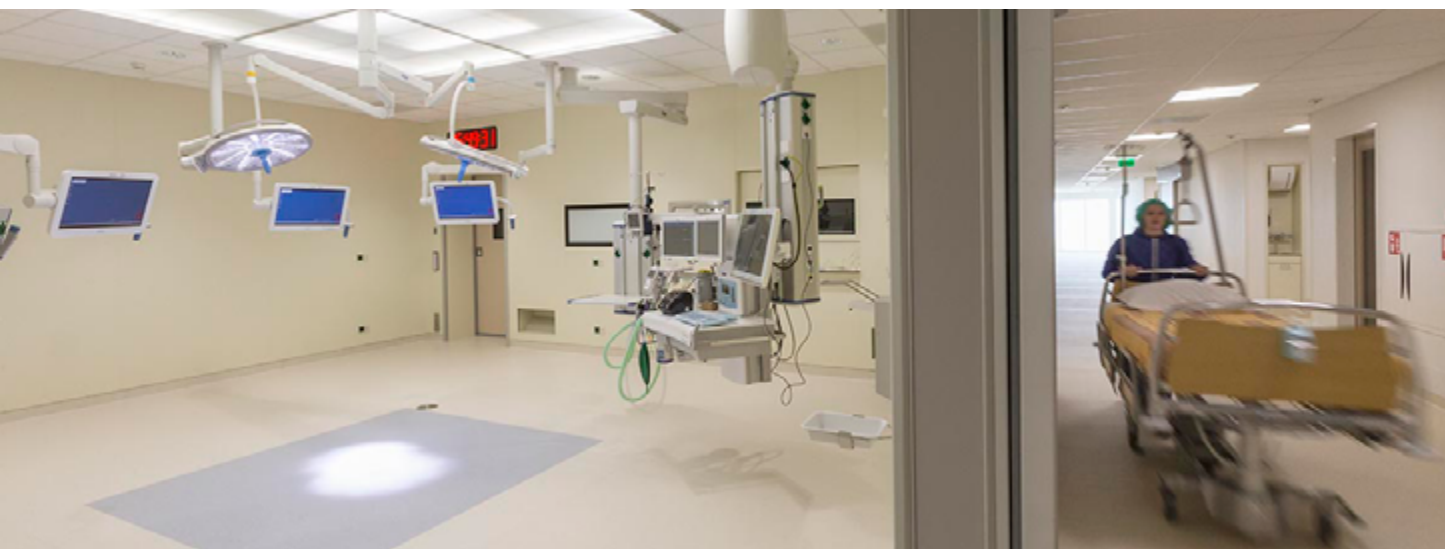
ADRZ and Siemens Healthineers began their strategic partnership in 2015 as a way to ensure high quality, efficiency, and security of patient care while effectively managing investments with a fixed annual fee. With this 10-year partnership, Siemens Healthineers provides financing, medical technology, management services, and turnkey solutions for new healthcare facilities.

The long-term partnership offers the following core service elements:

- Financing and full relocation of the nuclear medicine department, including design and construction of facilities and providing state-of-the-art equipment on an MES basis, including new PET-CT and SPECT-CT systems and equipment for preparing radioactive isotopes. The financing of this project was enabled by Siemens Healthineers, which leased the entire operation to ADRZ.
- Design and construction of a complex of six operating rooms and a new hybrid OR in Goes. The new operating rooms are equipped with medical systems under an MES model, including service for and updates to the technology so that the hospital will receive the latest technology, over the ten-year period.
- Both facilities, and medical equipment will be leased by Siemens Healthineers to ADRZ, so that investments are managed efficiently and in line with the project budget. This allows ADRZ to take on a major investment without having to finance and expend the entire project cost all at once.

Solution facts at a glance:

- Siemens Healthineers worked with ADRZ to define processes for complying with regulations on patient safety in the Netherlands.
 - Six new operating rooms were designed by Siemens Healthineers in a standardized and process optimized manner.
 - Utilization of the six operating rooms improved to almost 90%, leading to more than 1,000 additional hours per year in patient operations.
 - The provision of state of the art equipment provides significant advantages in sustainable care. For example, around €12,000 savings each year can be achieved due to smart technology, as less materials and energy are required
 - Medical equipment and integrated services were developed to ensure consistent and efficient treatment processes.
 - Financing and facility design consulting delivered by Siemens Healthineers enabled ADRZ to expand its healthcare capacity.
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The result

Significant economic benefits right from the start of the partnership

The integrated partnership concept has helped ARDZ ensure a high level of healthcare service delivery for the upcoming years. This innovative long-term healthcare partnership replaced previous short-term business models. Now ARDZ can operate profitably and is also able to meet future patient demands.

With this partnership, ARDZ and Siemens Healthineers are jointly blazing new trails. The traditional approach to increasing the efficiency of healthcare was to consolidate hospitals. The new collaboration concept involves a medical technology partner: Siemens Healthineers.

The innovative solution partnership with a globally experienced industry-leading company has provided ARDZ with the following key economic benefits:

Key benefits

- > €1.2 million capital expansion already saved at the preparation phase. The costs for the execution of the OR project are 10% lower compared with conventional business approaches.
- > €12 million capital freed up for investment in other projects to improve patient care thanks to the embedded financing solution.
- The new complex housing six standardized operating theaters creates multiple value since the opening in beginning of 2017:
 - **1,000 additional operating hours**, through higher utilization rates based on improved layout.
 - **Reduction of waiting times**, e.g. by several weeks for complex orthopedic surgery, as all operations can be done at any OP room because each one is equipped with the highest standards.
 - **> €12,000 savings on medical gas systems** per year, due to smart technology that require less materials and energy

Gaston Suy, Sector Manager OR & Procurement,
ADRZ at Goes/Vlissingen, Netherlands

“Urbanization is one of our biggest challenges. So it’s very hard to find highly skilled and professional personal. So I think concepts like remote control or remote operation that will be of enormous value in the future to be able to continuously offer modern and high quality healthcare. In addition, within the next years we will also concentrate more on greening our facilities.”



Call to action

A partnership approach to driving continuous business innovation in healthcare

Healthcare institutions need innovative approaches to the delivery of patient care. These include new concepts and business models that have a transformative impact on healthcare infrastructure and services.

The need to optimize financial resources and the need for sustainable technologies and infrastructure modernization, as well as current trends in healthcare demographics are driving a major transformation in healthcare systems and business planning models.

The medical industry is continuously evolving, and innovative solutions and long-term strategic partnerships in healthcare value chains are playing an increasing role.

The Dutch market is an example of continuous innovation in healthcare models, where technology partners are driving efficiency, financing, and outcome-oriented medical services that were the sole provenance of hospitals in the past.

The partnership between ADRZ and Siemens Healthineers exemplifies this innovation by sustainably enhancing the hospital’s resource management so that it can provide high quality care over the long term.

“And we are already initiating efforts with Siemens Healthineers on a business case to invest in sustainable healthcare infrastructure, so that savings are greater than investments.”



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 Healthineers 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.

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