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## Healthcare Executive Alliance

Insights for Healthcare Leadership

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# HEALTHCARE EXECUTIVE ALLIANCE

INSIGHTS FOR HEALTHCARE LEADERSHIP

**H**ealthcare organizations do a phenomenal job. Today, an increasing number of diseases are treated successfully and people enjoy a better quality of life even into old age. Yet, while much is being done to discover new ways to improve patients' lives, we now see radical changes to structures, incentives, and processes within healthcare to sustain provision for our inhabitant-rich planet.

Gone are the days of the simple equation that a higher price guarantees quality and vice versa. Faced with cost pressures, we see provider strategies of consolidation, industrialization, and population health management to meet the growing care demands. Times have changed: Today, healthcare and its delivery are increasingly validated and regulated by performance metrics. This development has led to nothing short of a paradigm shift in the structures and infrastructures of care.

In times of transformation, success comes from leading the changes. Riding the wave, rather than being washed away. We believe that effective healthcare transformation must include clinical, operational, and financial improvements. Delivering healthcare to more people with fewer resources is possible. But the levers need to be ideally set to improve your particular clinical outcomes, streamline your operations, and optimize your financial performance.

Through the Healthcare Executive Alliance initiative, we would like to support you and your teams to find insights, ideas and solutions for succeeding in these times. Our goal is to be your inspiring partner helping you to achieve better outcomes and reduce costs. As a starting point, we developed this set of white papers to help identifying key challenges in your healthcare organization with some first outlines on improvement methods.

*Now's our time to inspire the future of healthcare together.*




**Dr Bernd Montag**

Chief Executive Officer  
Siemens Healthineers

# IMPROVING PATIENT OUTCOMES

## HOW TO DEFINE, MEASURE, AND INCREASE POSITIVE AND REIMBURSABLE PATIENT CARE OUTCOMES

Due to increasing cost pressure, established remuneration models for healthcare services are changing all around the world. As part of the move toward value-based care, patient outcomes are entering the spotlight. Thus, hospital managers face the challenge of improving overall patient outcomes in a cost-effective manner.

### Diagnosis: Making Well-Informed Decisions

Every successful treatment and pathway to positive patient care outcomes begins with a correct and timely diagnosis. When a patient goes to see a doctor, the first few minutes usually determine the subsequent treatment steps – which directly influence the success of the treatment and the associated costs. However, diagnosis itself can be a particularly complex challenge. Research suggests that, in the U.S. for example, diagnostic errors affect one in 20 patients annually, an estimated 12 million Americans each year.<sup>1</sup> Moreover, diagnostic error is the leading cause of medical malpractice claims in the U.S. (almost 30 percent), and is estimated to cause 40,000 to 80,000 deaths annually.<sup>1</sup>

As demanding as it can be to identify and avoid diagnostic errors, it is well worth the effort, as doing so significantly improves patient outcomes. Misdiagnosis can lead to unnecessary treatment for non-existing conditions, or to proper treatments being initiated too late or not at all. This not only impacts the patient but providers as well. Providers are increasingly facing the operational and economic consequences of incorrect medical care – for instance, when hospital stays are unnecessarily long, medications are used incorrectly, or avoidable exams and operations are performed. The results are often a worsening of the patient’s condition, readmissions, reduced efficiency, and, worst of all, expensive legal battles.

### Efficient and Effective Treatment

Usually, the diagnostic procedure is followed by a treatment decision. In the interests of beneficial patient outcomes, diagnosis and treatment should be seen as two separate decision-making processes that need to be optimized, because the initial diagnosis could be incorrect or incomplete. In addition, even if the diagnosis is correct, there are often several possible therapeutic approaches. For good treatment decisions, it is important to know all the options. These arise



**“VERY FEW CONVENTIONAL METRICS CURRENTLY TRACKED BY PROVIDERS REFLECT ACTUAL HEALTH OUTCOMES.”**

from one’s knowledge of the individual medical condition, the patients themselves, and scientific findings. Electronic health records (EHR) and a seamless flow of information between physicians and specialists, and science and technology, can play a crucial role here.

## Proven Medical Errors in German Hospitals

A third of errors were caused by incorrect diagnosis

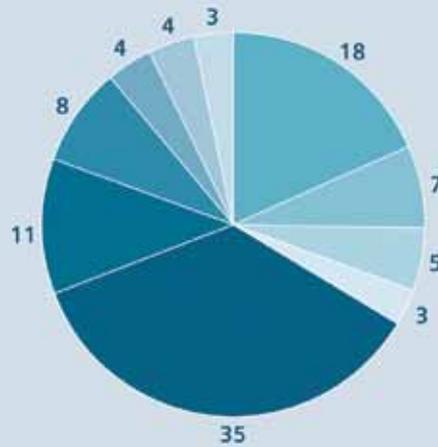
### Most frequent errors in hospitals

#### Diagnosis:

- Imaging procedures (18%)
- Medical history/examination (7%)
- Laboratory/additional examinations (5%)
- General (3%)

#### Treatment:

- Surgical: implementation (35%)
- Postoperative therapy measures (11%)
- Indication (8%)
- Postoperative: Infection (4%)
- Drugs (4%)
- Surgical: choice of procedure (3%)



Source: Bundesärztekammer; Behandlungsfehlerstatistik 2014

**“ FACING LOWER PAYMENT RATES AND POTENTIAL LOSS OF MARKET SHARE, PROVIDER ORGANIZATIONS HAVE NO CHOICE BUT TO IMPROVE VALUE AND BE ABLE TO PROVE IT. ”**

Michael Porter, Harvard Business School

The variety of treatment options and the uncertainty involved in planning them are the areas in which patient outcomes and sensible resource allocation are at risk. Treatment should be efficient as well as effective, and should lead to the desired outcomes. Clinical monitoring will become more important for optimizing patient outcomes and maximizing cost efficiencies. Up-to-date diagnostic imaging and laboratory equipment can support the ongoing, near-time monitoring of treatment success. However, many hospitals delay modernization of expensive devices due to increasing cost pressure. This can create significant differences in the kind of hospital equipment available in richer countries compared to poorer countries. For example, data on European equipment stocks show that patients in Eastern Europe in particular have very limited access to MRIs and CTs.<sup>2</sup>

### Improving Outcomes through Quantification

The quality of diagnosis, treatment decisions, and monitoring/management of the treatment significantly affect patient outcomes. According to U.S. economist Michael Porter, provider organizations - facing lower payment rates and potential loss of market share - have no choice but to improve value and be able to prove it. Although hospital managers have now recognized the need for doing this, in practice they often still lack suitable measurement methods. Most quality metrics do not gauge quality; rather, they are process measures that record compliance with practice guidelines. According to Porter, the only true measures of quality are the outcomes that matter to patients.<sup>3</sup>

To obtain meaningful benchmarks, care providers should actively engage patients in the collection of outcomes data. Patient-Reported Outcome Measures (PROMS) are already being successfully used by various hospitals in the U.K. to improve patient outcomes. For example, PROMS are used to calculate health gains in the aftermath of several kinds of surgical treatment, using preoperative and postoperative

patient surveys. Some British studies show how hospitals have successfully used PROMS data as a benchmark for their own quality measures. These best-case studies show that standardization can greatly help improve patient outcomes. At the same time, the case studies suggest that improved patient outcomes do not necessarily have to be accompanied by higher costs, and can actually improve profitability.<sup>4</sup>

### Creating a Continuum of Care

Especially in western industrialized nations, the present-day healthcare system is a highly sophisticated but fragmented collection of service providers. Previously, the process of tracking the journey of individual patients often ended at the point of transfer to another provider/specialist, or at discharge. Follow-up on the success of treatment rarely took place. In light of rising costs, however, providers in many countries are increasingly seeking to make optimum use of available healthcare resources. To ensure more cost-effective healthcare, providers are examining the entire care continuum to identify areas for improvement. By looking at the overall patient journey, providers can potentially improve patient outcomes while reducing costs. Also, provider cooperations and alliances that encompass hospitals, physician groups, outpatient clinics, and other provider facilities are on the rise.



The Affordable Care Act, which was passed in the U.S. in 2010 under President Barack Obama, provides clear examples of how service providers are encouraged through financial incentives to continue making a positive contribution to patient outcomes beyond the day of discharge. For instance, Medicare reduces provider compensation if patients are readmitted within 30 days of discharge. This affects every fifth Medicare patient - a staggering number of those treated. According to the Center for Medicare and Medicaid Services (CMS), approximately 2,700 of the 3,400 Medicare contract hospitals will have cuts totaling \$420 million in fiscal year 2016 due to such readmissions.<sup>5</sup>

Because of increasing cost pressure, hospital managers face the challenge of improving patient outcomes in a cost-effective manner.

### Engaged Patients Improve Outcomes

For healthcare providers, it is worthwhile to examine how care is provided along the treatment chain and to optimize it as needed. In particular, the general practitioners who care for patients following their discharge, and also the patients themselves, have a considerable influence on patient outcomes. Survey and research results from the U.S. show that handoff communication and the discharge process are sorely in need of improvement at many companies. In the latest annual U.S. national patient survey, 14 percent of respondents said they had neither received any written information about what symptoms or health warning signs they should look for in the future, nor had had conversations about the need for a follow-up appointment and, with whom, after their discharge.<sup>6</sup>

However, the patient's proven influence on his or her own outcomes may be challenging in cases where service providers find it difficult to increase patient engagement. Socioeconomic factors such as low income, unemployment, and poor education can lead people to neglect their health and fail to follow their doctors' recommendations or keep appointments. Several studies from the U.S. actually show a link between high readmission rates and a hospital's catchment area. It indicates that hospitals in poor regions are disproportionately affected by readmission penalties.<sup>7</sup> This once again shows how important it is to develop reliable and reasonable outcomes measurements.

### Smarter Data for Better Care

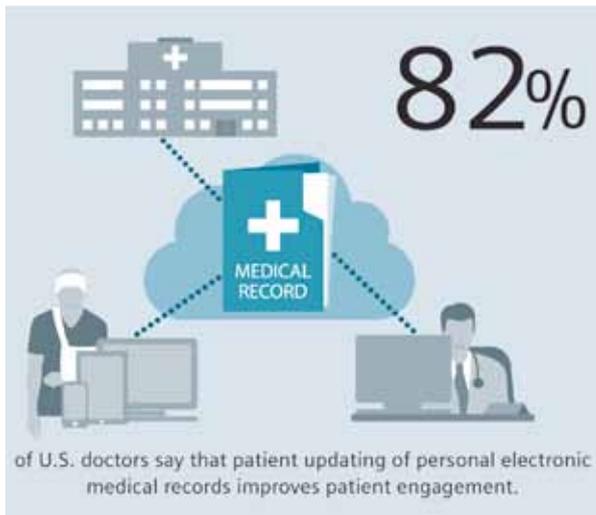
Well-managed IT infrastructure and mobile technology can help optimize the patient pathway and investments in mobile technology encourage patient engagement, for example by helping patients and doctors stay connected via mobile resources like tablets and smartphone apps. Thus, visit-based care is giving way to connected care. In developed economies, some of the greatest benefits of connected care would be improvements in the treatment of chronic diseases.

### Readmission Penalties Impact Revenue

Penalty for 30-day readmissions (in percent of relevant DRG payment): Only 23 percent of U.S. hospitals will escape cuts in 2016



Source: CMS



## In a Nutshell Improving Patient Outcomes

1. An accurate and quick diagnosis is an essential aspect of positive patient outcomes and is the foundation for proper treatment decisions.
2. Treatment can be efficient without being effective, and vice versa. Ensuring that treatment is both efficient and effective is the hallmark of medically and economically successful healthcare providers.
3. To determine one's own economic position in the market and measure progress, patient outcomes must be clearly defined and reliably and transparently evaluated. True measures of quality reflect what matters to the patient.
4. Seamless information flow along the treatment pathway is crucial for overall treatment success. Hospital operators must provide comprehensive, prioritized, and systematic information to subsequent treatment providers.
5. Active patient involvement in the treatment process help improve patient outcomes. Clear, intelligible communication is the key to success.
6. Modern IT infrastructure as well as the use of mobile devices can contribute to significant advances in diagnostics and treatment. This is especially true for medically underserved regions.

Furthermore, the greatest benefits of Internet-of-Things applications could lie in expanding delivery of healthcare services to the underserved, according to a recent McKinsey study.<sup>8</sup>

The Electronic Health Records that have been introduced in many countries also provide a platform for shared decision-making between patients and doctors. According to a recent survey by the consulting firm Accenture, more than half of all patients want to be able to access their data online.<sup>9</sup> This would definitely be to the benefit of many doctors. A vast majority of U.S. doctors report that patient updating of personal electronic medical records improves patient engagement and satisfaction.<sup>10</sup> Healthcare providers who manage to create stronger ties to their patients and let them independently contribute to their patient journey can achieve better long-term patient outcomes. ■



Read the QR-code to watch a short video introduction about the topic of patient outcomes on YouTube.



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# A CLOSER LOOK AT FINANCIAL PERFORMANCE IN HEALTHCARE

## MANAGING COSTS, RISK, AND FINANCING TO CREATE AN ECONOMICALLY SUSTAINABLE BUSINESS

Healthcare providers around the world face resource shortages, economic and regulatory uncertainty, and increasing market volatility. Trends such as alternative compensation models and public-private partnerships are leading people to rethink established business models and adapt their investment strategies.

### Investing during Difficult Times

The bulk of medical costs is incurred during treatment. Fast and accurate diagnoses as well as effective therapy management and control can significantly reduce costs. The use of modern diagnostic technologies in imaging and the laboratory can help achieve this goal.

At first glance, the required investment may appear to be a financial hurdle. But investing in medical technology and in systematic and continuous training for staff can contribute to the proper management of diagnosis and treatment. This could help hospital operators minimize costly mistakes and opportunity costs, and thus substantially improve their cost structure in the long term.

### A Growth Market under Cost Pressure

Global healthcare expenditures amounted to approximately US\$7.2 trillion in 2013, which equates to 10.6 percent of global gross domestic product (GDP). Global expenditures continue to rise, but there are differences between regions.

The growing and aging world population, rise in chronic diseases, growing middle class in emerging markets, and advances in diagnosis and therapy are all key drivers of rising global healthcare expenditures.

However, for hospital operators, rising healthcare expenditures do not automatically translate to an increase in revenues and profits. Rather, faced with more patients, they come under pressure to reduce the cost of treatment as health systems increasingly respond to higher overall expenses with cost-capping measures. In the U.S., for example, financial challenges are still the biggest headache for hospital managers.<sup>1</sup>

Today, hospital operators take on risks formerly managed by insurance companies. This reversal of the value-added mechanism, away from a “fee-for-service” model and toward a “fee-for-outcome” model, changes the significance of investments in medical technology.



In Europe and in the U.S., cost pressure and commercial risks abound. Nearly half of all European hospitals face financial difficulties, especially in countries such as Greece and Portugal. The high risk of bankruptcy within the industry makes it harder for hospital operators to access the capital market. According to a study by consultancy firm Accenture, the average EBITDA margin of selected European hospitals amounted to approximately 5 percent in 2014.<sup>2</sup>

Given increasing patient numbers and costs in both Europe and the U.S., greater efficiency is rising an existential concern for hospital operators. Meanwhile, financially sound healthcare companies can consolidate their market position through strategic investments.

### Cost Efficiency in Asia

In the search for innovative business approaches, it is worth taking a look at the Far East. In countries like China and India, low per-capita income, a rapidly growing population, uncertain economic prospects, and a shortage of beds and doctors in rural regions make efficient and affordable healthcare provision a special challenge. In India, the out-of-pocket spending rate is the highest in the world (approximately 70%). At the same time, India is one of the poorest nations in the world.

Narayana Health (NH), one of the world's least expensive and very rapidly expanding hospital companies, was established in this environment. Since its founding in 2001, NH has grown from a small cardiology clinic into an internationally renowned, medical company with approximately 6,500 beds in 30 hospitals. Its success is mainly based on a low-cost strategy. This involves efficient use of modern technology and optimized surgery capacity. In 2014, the Boston Consulting Group named NH as one of the 50 most successful companies in the emerging markets.<sup>3</sup>

**“ FINANCIALLY SOUND  
HEALTHCARE COMPANIES  
CAN CONSOLIDATE THEIR MARKET  
POSITION THROUGH STRATEGIC  
INVESTMENTS. ”**

### The Medical Tourism Trend

Many of NH's patients come from abroad, which means NH is participating in the worldwide medical tourism trend. Many successful hospital operators secure lucrative patient flows from abroad thanks to excellent low-cost services, a good international reputation, and a focus on foreign target groups, especially wealthy private patients.

The huge market for medical tourism is fueled by a variety of motives: many who travel for care do so because treatment is much cheaper in other countries. For instance, the cost of heart surgery at NH averages less than €1,700; in the U.K., it is 7 to 10 times higher.<sup>4</sup> By the same token, wealthy patients from places like the Middle East and Eastern Europe often seek better medical care abroad. ■

## In a Nutshell Financial Performance in Healthcare

1. Efficient service delivery is key to competitiveness for hospital operators worldwide. This calls for solutions that deliver better patient care outcomes at a lower cost.
2. Innovative, high-performance technology is particularly useful. Viewed in isolation, expensive, large equipment is no longer an automatic revenue generator. However, accurate assessment of the patient's condition significantly enhances the cost-efficiency of treatment.
3. New business models are increasingly turning hospital operators into risk and population health managers. To assess risks and efficiently manage the costs of service provision, they need reliable diagnostic data more than ever.
4. Access to available capital can be a major challenge for many hospital operators. One possible solution: Using financing instruments like leasing, lease-purchase or mezzanine financing allows utilizing new technologies without purchasing them – and remain financially healthy as well.
5. When it comes to competing for wealthy private patients and medical tourists from other countries, financially sound companies will be able to defend and expand their competitive position in the future — even across borders.



Read the QR-code to watch a short video introduction about the topic of financial performance on YouTube.



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# THE VALUE OF A GOOD REPUTATION

## HOW HEALTHCARE PROVIDERS CAN IMPROVE THEIR REPUTATION TO ATTRACT MORE PATIENTS AND QUALIFIED STAFF

A good reputation is an important asset for healthcare providers. Along with credible market positioning, it is vital for attracting self-reliant, quality-conscious, and cost-aware patient groups. Qualified and committed employees are key to a positive patient experience and hence to a provider's reputation.

### From Patients to Customers

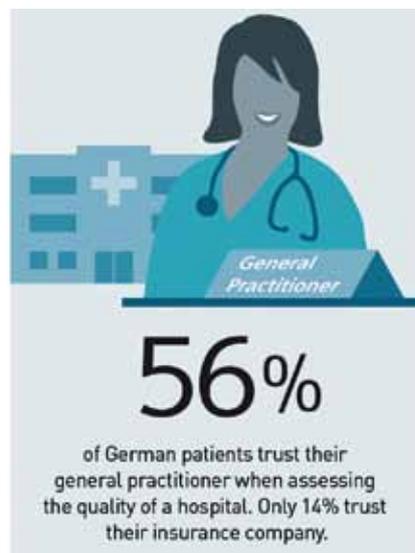
"Where will I get the best treatment?" is an important question that patients ask with increasing frequency prior to hospital stays. The evolution into a consumer-driven healthcare industry with well-informed customers is desirable from a political point of view, especially in countries with expensive healthcare systems such as Germany and the U.S.

Insurance representatives call for increased transparency regarding quality of care and more focus on results in order to improve patient outcomes. They also advocate for quality-driven remuneration models with quality-related premiums or discounts.<sup>1</sup> To facilitate patients' choice of healthcare providers, some health insurance companies publish annual hospital quality reports online, making them broadly available to the public. Indicators of the quality of processes and outcomes are to be included in patient-friendly quality reports.

### Medical Quality Counts

Despite increased efforts by hospital operators to score points with convenience features, medical quality is still the most important criterion when it comes to choosing between hospitals.<sup>2</sup> However, many patients find it difficult to rate this, so general practitioners and specialists play a prominent role in the choice of a hospital. Fast and accurate diagnostic results, timely appointments, and smooth, IT-based data exchange are some of the assets with which hospital operators can significantly improve their reputation among this important, influential group.

A hospital's economic basis also affects its reputation. According to a survey by consulting firm PwC, when hospitals face a poor financial situation, many patients suspect a negative impact on medical care or the condition of medical equipment. Modern equipment, for instance, allows for readily available and accurate diagnostic results, which can significantly help reduce waiting times, improve patient outcomes, or avoid ineffective treatments. All of this significantly increases patient satisfaction. For example, in Germany, large, well-equipped teaching hospitals tend to have the best reputation, followed by privately run hospitals. Both exceed municipal or church facilities by a wide margin.<sup>3</sup>



### The Internet Crucially Shapes Reputation

Online review sites and social media platforms are rapidly becoming very important for a hospital's reputation and its selection by partners – especially among younger, well-educated patients and potential employees. This is equally true for Europe, the U.S., and many emerging economies. More than a third of the Indian population, for example, use the Internet to search for health information, with similar percentages of younger, more educated people seeking health information online in Brazil, Mexico, and China.<sup>4</sup>

In Denmark, for example, customers grade hospitals online on a special website by giving them scores that range from one to five stars as if they were hotels, with service level indicators as well as actual results, including case fatality rates on certain diagnoses. In the U.S. too, patients and referring physicians can compare hospitals online – via the CAHPS Hospital Survey.<sup>5</sup> The CAHPS results give hospital managers interesting ways to invest in patient satisfaction. According to the survey, a whopping 30% of all newly discharged patients would not unequivocally recommend their hospital.

## Good Staff, Good Reputation – and Vice Versa

The CAHPS results show that open-minded, responsive staff significantly affect patient satisfaction and hospital reputation. Close and personal patient engagement can only be achieved through dedicated, satisfied employees.<sup>6</sup> Investments in employee satisfaction seem to pay off financially. Research from Gallup indicates that committed or 'engaged' physicians are more productive and ensure considerably more recommendations. Gallup estimates the average annual increase in revenues at just under half a million dollars per doctor.<sup>7</sup>

The use of state-of-the-art technology for diagnosis, treatment, and information management can significantly increase employee satisfaction, which in turn improves patient experience and hospital reputation. Key starting points include improvements to the working environment through efficient IT-based processes that save staff time and allow more time for patient care, and training that empowers employees to make optimum use of technical equipment. Access to an extensive, cutting-edge database and accurate diagnostic results also support researchers with their studies and publications. This not only helps increase the reputation of a hospital as a healthcare provider, but also increases their standing as a desirable employer with attractive development prospects.

## Attractive for Patients Around the World

Excellent and reasonably priced services, a good international reputation, and a focus on the needs of foreign patients are some of the ways successful hospital operators secure lucrative patient flows from abroad. Experts peg the global market volume for medical tourism at around \$38.5 to \$55 billion, based on approximately 11 million cross-border patients worldwide spending an average of \$3,500-5,000 per visit.<sup>8</sup> According to the OECD, dental care, cosmetic surgery, elective surgery, and fertility treatment are particularly popular.<sup>9</sup>

Globally, only about one in eight patients is going abroad mainly for cheaper treatment.<sup>9</sup> Instead, the majority of medical tourists want better medical care. According to a study by McKinsey, advanced technology, better quality of care, and quicker access to medically necessary therapies are the main motivations for medical tourism.<sup>8</sup> ■

## In a Nutshell The Value of a Good Reputation

1. Attracting new patients requires going beyond accurate diagnostics and efficient treatments. It requires a compelling relationship management that includes patient education, fast appointment scheduling, effective communication, and short waiting times to help increase patient satisfaction.
2. Competition for patients has gone international. Medical tourism is a growing trend and already a lucrative market. For most international patients and elective patients in general, access to cutting-edge technology and high-quality diagnostic and therapeutic services are decisive factors. This should be taken into account when addressing this customer group.
3. Fostering a good relationship with referring physicians is essential, as they have a major influence on the selection of care providers. General practitioners and specialists expect accurate and timely diagnosis results from hospital operators, they want them to act as partners in the treatment of their patients.
4. Attracting skilled professionals in the industry's tense labor market is a serious challenge – the employer's reputation is a major criterion for prospective employees.
5. A good reputation and motivated staff mutually reinforce each other: motivated employees largely determine the quality of medical and economic outcomes. They are crucial for positive patient experiences and a hospital's reputation. Modern technology helps improve working conditions and employee satisfaction significantly and help position the hospital as a desirable employer.



Read the QR-code to watch a short video introduction about the topic of reputation on YouTube.



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## Improving Patient Outcomes

How to define, measure, and increase a positive and reimbursable outcome for patient care

**Introduction**

Due to increasing cost pressure in the healthcare sector, established remuneration models for healthcare services are in transition around the world. Fees for performance and value-based systems are increasingly replacing fees for service. Major players – including Medicare and Medicaid in the U.S., the National Health Service in the U.K., the National Health Care Institute in the Netherlands, and several leading European university hospitals – have all made great strides in this area. In Germany, the proposed Hospital Restructuring Act aims for a stronger correlation between remuneration and quality of treatment. In newly industrialized countries, where patients pay a large share of the treatment costs out of their own pockets, the quality of treatment plays a decisive role in choosing a hospital (in addition to price and access to care).

Hospital managers around the world face the challenge of improving patients' overall outcomes – and doing so cost effectively. Further, outcomes can be impacted by many factors, including overall patient health, safety, comfort, and satisfaction.

For both healthcare providers and payers, it can be difficult to establish and measure reliable, meaningful value-based metrics. However, this is the only way to quantify and compare results and make improvements where necessary. Binding, appropriate performance indicators are essential for the implementation of value-based care.

Only 3% of organizations say they have completed the transition to value-based care, whereas 85% indicate that the transition is still underway.



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## A Closer Look at Financial Performance in Healthcare

Managing costs, risk, and financing to shape an economically sustainable business

**Introduction**

Today's discussion on the future of healthcare revolves less around arguments regarding medical technology, and more surrounding economic challenges. Scarce resources, government budget constraints and limited to no access to the capital market offset various cost drivers.

In addition, a global trend towards population health management exists, an integrated optimization of healthcare that greatly impacts processes and business models and requires the comprehensive aggregation and analysis of patient data. This is enabled, for example, by the increasing standardization and industrialization of patient care.

All over the world, top managers of health care facilities face scarce resources, economic and regulatory uncertainty and increasing market volatility. Trends such as alternative compensation models, public-private partnerships and new, lucrative patient flows from abroad (medical tourism) cause people to rethink established business models and adapt their investment strategies. Most players will need to develop new business models to rely on the consulting firm Bain & Company predicts. Deloitte consulting adds, "Many of these new models will require costly infrastructure investments."



10.6% of the global gross domestic product (GDP) amounted to total healthcare expenditures in 2013.

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## The Value of a Good Reputation

How healthcare providers can improve their reputation to attract more patients and qualified staff

**Introduction**

Whether in consumer goods, financial services, or medical technology, a company's reputation is key to its commercial success. Brand awareness and a good reputation produce trust, and sustained trust is priceless. Although it is difficult to quantify the exact value of a good reputation, companies around the world spend a lot of energy, time, and money to acquire and retain one in order to win over customers (patients), qualified personnel, and referring doctors. They invest in the creation and maintenance of a distinctive image, measure their customers' wishes, carry out regular quality checks, and participate in independent tests and comparisons to document the quality of their products and services.

In healthcare, however, reputation management is frequently still limited to crisis communications, e.g. when there are hygiene or staffing problems. In many countries, this results from legal restrictions on promoting one's image through active hospital marketing.

The performance and achievement of many not-for-profit companies in particular often seem quite diffuse and inextricable from the perspective of patients and applicants. For-profit institutions are different, not just in countries like the U.S. but also in countries where patient tourism and out-of-pocket payments are important.



56% of German patients consider most their general practitioners when assessing the quality of a hospital. Only 14% would trust their insurance company.

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