

## Siemens Healthineers in Innovative Lab Service Partnership for Cost Control



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Siemens Healthineers has announced an exciting initiative within Turkish healthcare that is expected to benefit 92 million patients over the next five years through a three-pronged strategy that characterises the work of the med tech giant.

Siemens Healthineers will operate the laboratories at the hospitals in Bilkent, Ankara (3,800 beds) and in Mersin (1,300 beds) in partnership with lab doctors from Turkey's Ministry of Health. Both hospitals are being built by DiA Construction, a subsidiary of DiA, for the Turkish Ministry of Health as a public-private partnership.

"It opens up new avenues for us to prove the value of working with a med tech partner and innovation leader like Siemens Healthineers," Sourabh Pagaria, Head of Enterprise Services & Solutions at Siemens Healthineers told HealthManagement.org. "Our strategy is to be the enabler of healthcare providers worldwide by helping them achieve better outcomes at lower costs."

Siemens Healthineers will assume the laboratory services at the two facilities for all medical laboratory disciplines (Biochemistry, Microbiology, Hematology, Immunology, Emergency, Genetics, Pathology and Point of Care testing). Siemens Healthineers also will provide the design, medical and technical equipment, appliances, consumables, service and maintenance, in addition to laboratory technical staff.

"It is a true partnership approach which means we are committing ourselves to the success of the initiative. The commercial model is such that Siemens Healthineers' revenue comes from tests and not supply of the instruments and reagents," Pagaria said.

Pagaria spoke about key trends shaping healthcare industry today, Siemens Healthineers' wider healthcare strategy and how the cooperation in Turkey will enhance this.

"Firstly consolidation or delivery of care in the most optimised way is important. Secondly, industrialisation is critical. Right now the ageing population and increase of chronic disease is increasing the medical spend yet the medical dollars in system are not increasing so the system has to find efficiency within itself to meet demand."

Finally, Pagaria added that managing health was a key part of the Siemens Healthineers' strategy. "Our objective is to move 'sickcare' to 'healthcare' by helping providers to manage health of their population before they turn into patients."

The five-year contract grants a minimum of close to 30 million euros \* in revenue. The amount is based on a guaranteed annual test volume, and is expected to reach up to over 100 million euros \* revenue based on the anticipated test volumes.

"This project combines our expertise in equipping laboratories with our service portfolio. It is a milestone for us and, at the same time, also a proof point for how we enable our customers to meet their current challenges and to excel in their respective environments. The new business model is designed to support our customers in increasing efficiency and containing costs right from the beginning," said Bernd Montag, Chief Executive Officer, Siemens Healthineers.

"One major aspect of our deep partnership in Turkish PPP is that it enables healthcare providers to focus on patient care as we take more

responsibility in managing operations and technology for them," Pagaria said.

In addition to the initiative in Turkey, Siemens Healthineers is engaged in 100 management integration services, tech right-sizing and standardisation projects globally.

"There is a strong heritage of Managed Equipment Service partnerships that we are building upon and the project in Turkey is a timely example of how we are executing our strategy of being THE enabler of Healthcare providers by leveraging our broad portfolio."

\* (based on current rates)

Source: [Siemens Healthineers](#)

Image Credit: Siemens Healthcare

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