
Volume 11, Issue 5 /2009 - Financing

System Partnerships for Successful Hospitals

Hospitals in Europe are under a constant challenge to improve their quality, efficiency and efficacy. This is a significant pre-condition not only for economic success but also for the fulfillment of their contract with society. This demand is compounded by the demographic changes of our national economies and also by medical advancements, ultimately leading to the ability to offer the best and most varied treatment options in medicine and care for everyone – and to do so in a financially viable way. Here too the financial and economic crisis is taking its toll.

Each and every hospital is a complex and highly technical enterprise that needs to have adequate structures and efficient processes in place in order to guarantee a smooth running. This requires a lot of specialised knowledge and manifold resources regarding technology and organisation – things that can be beyond the capacity of an individual hospital. Nonetheless, these things have to be available in a timely and affordable fashion, which is why it is necessary and also practical to concentrate specialised resources and knowhow. This is best achieved by bringing together industrial know-how with end-users in the hospital setting, effectively creating system partnerships between industrial partners on one side and the hospital on the other side. The fundamental structural characteristics of such system partnerships can be summarised as follows:

Aims

1. The top priority is to improve the quality of the hospital and healthcare by optimising structures, processes and results. In concrete terms this implies the high availability of resources (manpower, knowledge, technology, organisation) and their cost-efficient coordination. It also includes the possibility of investments and funding within the scope of system partnerships. In addition, fiscal aspects should be taken into account where applicable.

2. Basic Structures System partnerships need to have a sufficient degree of liability for all partners involved. This can be arranged on a contractual level in form of cooperations. Other institutional options include the establishment and operation of joint enterprises in which both partners hold proportional shares (the hospital will usually hold the majority). This is a further development of outsourcing, known as insourcing in Germany. It allows these jointly operated businesses to be active on the open market, beyond the maintenance of a hospital. For instance, other hospitals or other market participants can be supplied with services. This increases the economic basis, thereby allowing for the capacity utilisation and subsequently the qualitative and quantitative availability; and, of course, the option of financing investments. Another aspect is the incorporation of these enterprises into the corporate culture of the hospital.

3. Examples

Some examples from our own environment:

Contractual System Partnership:

Information technology (hospital information system; PACS); resource / waste disposal; equipment, maintenance and organisation of endoscopy; investment and maintenance IT-hardware; investment and maintenance of hospital beds; maintenance of medical technology; investment and maintenance of communication units; investment and maintenance of communication plants; insurance and risk management.

Conjoint, Legally Independent Enterprises:

Supply of sterile goods; industrial cleaning and bed maintenance; catering; event management; supply of materials; transports and logistics; clerical staff; supply of textiles; personnel recruitment; departmental planning.

The mentioned examples clearly show that these goals can be accomplished. Clear savings were obtained concerning operating costs (particularly maintenance costs) and also investment costs. Furthermore, the process quality has improved considerably (better processes, lower administrative effort, standardisation) and the quality of the equipment is substantially better. Take equipment management for endoscopy as a specific example; savings of up to 20% as well as significant quality improvement can be reported.

The above mentioned system partnerships between this welfare and social work hospital and associated companies have been practiced with great success for many years. The Diakoniekrankenhaus Rotenburg is a large hospital with approximately 800 beds and 2,000 employees. Each year 30,000 inpatients and 100,000 outpatients are treated. For further information please see the website.

We have come to realise that the requirements of healthcare (higher standard of quality and increasing demand, economic use of high-grade resources) challenge all of us to look for new ways to reach these ambitious goals. The system partnerships between industry and hospitals are a

good option, if the correct legal, contractual and organisational preconditions are found, agreed upon and actually implemented. In order for this to work, trust between all parties involved is a must.

Author:

Heinz Kölking

Vice President EVKD (EAHM)

Diakoniekrankenhaus Rotenburg (Wümme)

www.diako-online.de

koelking@diako-online.de

Published on : Mon, 9 Nov 2009