Diagnostic Imaging in Europe
Best Practices for Accessible, Quality and Cost Efficient Services

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VP Diagnostics, Euromedic International
Agenda

1. Who is Euromedic?
2. Diagnostics: what is it about?
3. Diagnostics models in Europe
4. What determines the best provider in a PPP
5. Greece Diagnostics: Where to now?
6. Conclusions
Who is Euromedic?
Snapshot of Euromedic International

- Euromedic International, a Dutch Holding Company, is a leading Pan-European investor and operator of Public-Private Partnership (PPP) related healthcare services.

- Euromedic currently owns and operates 141 diagnostic centers (in the fields of Diagnostic Imaging and Clinical Laboratory) & 3 cancer treatment centers in 13 countries in Europe.

- The Company currently treats three million patients per year.

- Euromedic employs over 2,750 people, of which more than 550 are Medical Doctors.

- In Greece Euromedic (named locally Ευρωιατρική) has invested more than 70 million in 12 centers in Athens Thessaloniki and regional Greece, currently employing 300 people and treats over 270,000 patients per year.
Our Pan-European Platform

Countries of Operation

Expansion Foreseen
Diagnostics: What is it about?
“Is about Imaging services that are used to detect wide range of diseases in vivo, through the use of premium high cost medical technology”
Diagnostic Imaging: Modalities Involved

**MRI**
- Cancer detection and staging, Stroke detection, Spine Evaluation, Sport Injuries etc
- No radiation, non-invasive, Soft tissue visualization, Image organ structure and function

**CT**
- Trauma, oncology, vascular, orthopedics, Cardiac Coronography, Full-body imaging
- Fast Diagnosis, Non-invasive high-resolution imaging, 3D Imaging

**Functional Imaging (PETCT, SPECT)**
- Oncology, cardiology, Cancer Staging, Actual cellular and metabolic function
- Gold standard for non invasive Cancer and Cardiac Function,

**Ultrasound**
- Radiology ... abdominal/breast imaging, Obstetrics ... fetal evaluation,
- Cardiology ... heart/valve function, Vascular ... carotid imaging

**X-Ray**
- Radiography, Fluoroscopy, Mammography, Interventional (Angio, Cardiac) DEXA
- Digital Low Dose, Interventional Therapeutic and Diagnostic
Who pays for diagnostics?

- PPP contracts
- Primary Care contracts with Public Funds
- Per Capita Contracts
- Fee for service

- Niche out of pocket Market
- Differentiation services
- Bank Insurance
- Large Corporations
- Clinical Trials

Public Sector

Private Insurance

Private Niche Market

Alternative Channels
Diagnostics Growth: Key Drivers

• **Technology**: SW and HW developments lead to new exam types and more efficient machines / new exams lead to new compelling needs.

• Diagnostics is a “good to have service” for all medicine specialties leading to **rapid growth** if no control from payers

• **Ageing population**

• **Consumer Demand**: Increasing demand for non-radiation diagnostics combined with new capabilities drives MRI and cannibalizes other modes

• **Personalized medicine** and new tracers drives PETCT growth.

• **Convergence**: lesser developed countries moving to OECD and EU standards of health care

• **Supply**: Easy credit from manufacturers and high pricing attract new entrants and add capacity: better availability triggers demand
Growth MRI & CT equipment

3.5.1. Number of MRI units, 2008 (or nearest year available)

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OECD 02-08 CAGR= 8,6%

3.5.2. Number of CT scanners, 2008 (or nearest year available)

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OECD 02-08 CAGR= 5,3%

Source: OECD Health at a Glance, 2008
Diagnostics Models in Europe
Diagnostic Imaging Business Models

**Hospital Based**

- Centers inside hospitals, "Eastern European" model
- Long Term **PPP** Contracts with Hospitals and/or Funds
- Main Value from Capital Investment
- Serving inpatients and outpatients

**Stand Alone**

- Outpatient Centers in contract with public funds, "Western European" model
- Diversified services: All modalities, Laboratories, Ambulatory, Consultation
- Diversified Revenue Sources: PHIs, Corporations, Banks
- Mainly **Fee for Service (FFS)** contracts with Health Funds
Cost Management Practices

• Diagnosis Related Groups
• Reimburse separately Scientific from Technology element.
• PPP: Manage Over the Quota examinations. Quota plus overquota basis for next year contract
  – Discount over the quota examinations gradually up to 80%
    🇮🇹 🇨🇿 🇮🇪
  – Perform only emergency or lifesaving over the quota exams
    🇷🇺 🇬🇧 🇺🇦
  – Adjust/discount average tariff point based on the overquota examinations
    🇱🇹 🇵🇹 🇪🇺
• FFS: Manage referrals, average prescription value per patient
  🇵🇹 🇨🇭
Imaging Models Challenges and Future

Future Trends
- Some in-sourcing trends mainly for inpatients, as a result of access to EU funds
- Eastern Europe
- Pressure in Healthcare due to Economic Environment
- Western Europe
- Large number of equipment but still inefficient use from states
- Future Trends
- More and more Hospital Based PPP & per capita contracts to improve efficiency
- More Stand Alone Imaging Centers, Ambulatory Services, Minimal invasive
- Outpatients served from private sector
- Growth of PHI payers
- PPP to improve states inefficiencies
- Outpatient sector to private providers
- Growing Role of PHI
What determines the best private provider in a PPP
What determines the best provider in a PPP

Proven Clinical Outcome
- Advanced Application
- Demonstrable Results
- MDs Ongoing Trainings, Clinical Audits, MAB

Patient Experience
- “Business Class” Services
- Communication between patients and MD
- Voice of the patient, ongoing Surveys

IT Solutions
- Digital Working Environment
- Filmless & Paper light operations
- Teleradiology

People - Passion - Performance
What determines the best provider in a PPP

Create Value for Referrals
- Awareness in new Application
- Communication with referrals, reject unneeded exams

Lean Management
- Staffing Optimization, Medical Salaries Management
- Asset Utilization
- Lean Processes

Scale
- Effective Technology & Services Purchasing
- Longer Equipment cycles (Recycling of Equipment)
- Specialization and Medical Expertise

People - Passion - Performance
Greece Diagnostics: Where to now?
we respectfully suggest to first review and define the term: “public interest”

which we further suggest to make it more particular like

**Accessible, Quality and Cost Efficient Services**
Define “Public Interest”

• A state investment of an MRI in a public hospital makes sense only if the overall cost of the examination is equal or lower to reimbursement tariff or else is not a cost effective decision.

• A flat quota to all private providers that does not take into account the technology involved or the medical outcome produced is not a decision that serves examination quality or service accessibility.

• Decisions that lead to the closing of profession (limitations in shareholding ownership) does not serve either quality or cost effectiveness.
Look at Italy and Eastern Europe

- Treat Private Providers as an Integral part of Greek NHS.
- Introduce PPP in diagnostics to increase patient throughput, and raise services delivery to state hospitals – allow productivity payments to NHS staff
- Commit volumes and long term contracts to accredited private outpatient providers & benefit from scale discounts
- Demand measurable clinical outcomes and accreditation of quality
- Apply minimum technology standards and link service prices to related technology and equipment age
- Care about current providers. Encourage consolidation.
Conclusions
Conclusions

1. Future of Medicine pass through Diagnostic Imaging.

2. Demand for diagnostics will grow..and regulators will have a tough role to ensure accessibility and quality at the right price

3. Private Providers can play a key role for the benefit of the patients and states health economics.

4. PPP is not only a financing solution.. It is also Medical outcome, Processes, Patient Experience , IT solutions.

5. Greece can commit providing quality healthcare diagnostics
Thank You