



PHILIPS

Partnership

Managed Service

Harnessing the power of a long-term strategic partnership

True partnerships are the engine of success

The Illawarra Shoalhaven Local Health District (ISLHD) is dedicated to promoting the health and wellbeing of around 400,000 residents across the Wollongong, Kiama, Shellharbour and Shoalhaven areas in New South Wales, Australia.



Who

The Illawarra Shoalhaven Local Health District (ISLHD).

Challenge

The Illawarra Shoalhaven Local Health District needed to drive savings in its Medical Imaging equipment, as well as ongoing maintenance and whole of life cost, while at the same time enhancing operational efficiencies. A key step to achieving this was to effectively manage their existing fleet of equipment including lifecycle management, maintenance support, uptime, fit-for-purpose assessment and procurement, with the underlying assurance of funding and a strong overarching Governance structure.

Solution

A 20-year Managed Equipment Services (MES) partnership with Philips, which procures, maintains, funds, manages and upgrades all medical imaging equipment irrespective of manufacturer, in order to enable agile decision-making, support strategic priorities and maintain fiscal responsibility. Through the contract, the MES provides an assurance of funding for replacement of the District's fleet of imaging equipment until 2038.

Partnership highlights

- High degree of accountability and predictability through a well-defined operational process that's closely monitored (on a weekly basis) by both teams.
- Guaranteed uptime on system availability improves patient throughput, facilitating greater patient satisfaction and increased staff efficiency.
- Strategic decision-making tools, including an analytics dashboard, provides optimal resources and equipment utilisation, ensuring an evenness of use across all hospitals.
- Enhanced quality of care which stems from continued access to the latest medical equipment at predictable costs and dependable replacement cycles.
- Operational and capital sustainability, including significant cost savings and improved cash flows associated with timely replacement, installation, training and maintenance so that the customer can assure capital sensitivity is met for Medicare reimbursement.

Irrespective of manufacturer, the Philips MES has achieved:



More than **99.48%**
uptime across all modalities
since October 2018



99.98%
on time PM success rate



99.06% of all calls*
answered within 2 minutes
(*500+ cases logged across 6 hospitals)

The Illawarra Shoalhaven Local Health District (ISLHD) is committed to building healthy communities within its rapidly growing—and diverse—population.

According to the New South Wales government, Illawarra Shoalhaven's population is growing steadily, and projected to reach 470,000 by 2031, with at least 100,000 more people are expected in the region by 2041. The proportion of older people within the community is increasing as well, and communities are becoming more diverse in thought, background and experiences.

The MES—which was designed with a high degree of forward-thinking and flexibility—provides for expansion of the hospitals' equipment fleet to cater to the projected population growth, as well as increased patient demand in diagnostic imaging. One of the key benefits of the partnerships is that it ensures the availability and uptime of modern medical imaging equipment within the District's six hospitals, enabling the ISLHD to continue offering high-quality healthcare to its residents.

With new hospital infrastructure being built to accommodate the high patient flow, and two new facilities set to come online within the remaining term of the MES, the ISLHD is aptly poised to uphold its purpose of providing best practice healthcare and programmes that promote the health and wellbeing of people in Illawarra Shoalhaven.

"We are building a service which is able to deliver high quality technology which is very safe, very fast, and can be replaced along the equipment roadmap at the fastest possible speed, or sometimes at the slowest appropriate speed, depending on what is required under the prevailing circumstances and in the most efficient manner."

**Peter Turner, District Manager,
Medical Imaging, Illawarra Shoalhaven
Local Health District**

Efficient and flexible technology planning leads to innovative tools to help staff provide quality patient care

A strategic Equipment Replacement Plan (ERP) is an essential part of every Managed Equipment Services partnership. By mapping out when equipment needs to be replaced—in line with recognised lifecycles and NSW governance frameworks—the plan is able to ensure the ISLHD has timely access to the latest relevant technology innovation. This in turn enables the institution to improve on operational performance and patient outcomes.

Together with innovation and technology advancements, staff training and support play a key role in ensuring daily clinical care delivery happens at optimal levels. The ISLHD is one of the region's largest employers with more than 8,500 staff across 8 hospital sites and approximately 58 community health service locations across the district, and is home of some of Australia's most respected health professionals. Their support and acceptance of the MES partnership has been invaluable, and has played a pivotal role in the progress achieved over the last few years.



2.79
hours

Average response
rate for onsite
response



73

equipment from 7
different vendors
managed across 6 hospitals



23

equipment
replacement or upgrade
projects completed

"A very important part of having credibility with our clinicians in the Managed Equipment Service was early engagement of senior clinicians in the tender evaluation process."

Peter Turner, District Manager,
Medical Imaging, Illawarra Shoalhaven
Local Health District





A well-structured capital investment plan paves the way for innovative solutions to drive operational excellence

Through their vast experience and proven track record in Managed Equipment Services, Philips ensures they constantly add value to the service they offer by closely monitoring, evaluating and adapting their solutions on a case-by-case basis. This is especially true of the finance structure of the Illawarra Shoalhaven Local Health District MES. Although initially predictable, the capital blueprint of the MES is highly versatile, and can be varied to allow for the flexibility of change in the equipment roadmap, adoption of new technology with changed investment needed when assets are replaced, and to accommodate the need for expansion when necessary.

The Philips PerformanceBridge is a noteworthy innovation that's been well-received within the health district. This web-based, real-time data platform helps drive continuous improvement in a range of areas such as workflow, asset optimisation, and planning for the needs of diverse patient populations.

Using these innovations introduced through the MES, the ISLHD hopes to continue its focus on value-based healthcare by providing high quality care in new ways with new care models.

"The real benefit of the 20-year forward vision is that it gives you a sense of certainty in understanding how the business will operate in this very fundamental way, which is the operation of the capital footprint."

Peter Turner, District Manager, Medical Imaging, Illawarra Shoalhaven Local Health District



A partnership that goes above and beyond

Philips' level of commitment to the Managed Equipment Service, as well as their willingness to go into a value-added space for the entire tenure of the contract is one of their most compelling signature traits. So much so that the Illawarra Shoalhaven Local Health District identified with and willingly embraced Philip's long-term vision of looking beyond the Managed Equipment Service and associated capital footprint, to a more long-term partnership focused on developing a lasting relationship and clinical innovation powerhouse, oriented towards providing world-class clinical services.

With this understanding, dedicated teams meet on a regular basis for detailed operational planning, working in a transparent, flexible, and collaborative manner to assess and identify challenges, define priorities and build realistic action plans. Management reports ensure trends in asset performance are monitored, so that timely actions on any concerns are taken before they have adverse effects on service continuity and patient care. A strong, strategic forward focus permeates through every decision relating to technical or operational efficiencies, capital investments and equipment recommendations.

To help the ISLHD minimise its administrative burden, and allow clinical and management staff to focus on clinical care delivery, Philips shoulders the responsibility of dealing with equipment suppliers to ensure medical imaging equipment are available when needed. However, all recommendations relating to equipment purchasing, installation, maintenance and replacement are vendor neutral, enabling the ISLHD to maintain complete control at all times.

"The Philips team was working hard to understand what it is that NSW wanted out of MES, and going past that, what did the actual health districts want out of it."

Peter Turner, District Manager, Medical Imaging, Illawarra Shoalhaven Local Health District

The next frontier of innovation

Recent events—namely the global pandemic, escalating environmental and sustainability issues—have brought the need for value-based healthcare which revolves around prevention rather than intervention into sharp focus.

Prior to COVID-19, the government of NSW had announced plans for the development of two new hospitals at Shellharbour and Shoalhaven. In keeping with the healthcare sector's rapid transformation, these two establishments will be smart, highly environmentally responsive hospitals, utilising very low energy

levels by optimising passive solar access while employing robotics and artificial intelligence throughout the hospital.

The ISLHD is very excited to share this journey with Philips—their trusted MES partner—and look forward to developing an industry approach on how AI will play a role in the smart hospitals. This will be done while ensuring the needs of the community are met in terms of future planning for medical imaging services throughout the Illawarra Shoalhaven Local Health District.

Philips is committed to building **sustainable partnerships addressing the quadruple aim**

Simplifying
data and insight
gathering



Removing
excess costs



Driving
improved treatment
and outcomes



Giving
patients and staff
a better experience



