Helios Germany Efficiency

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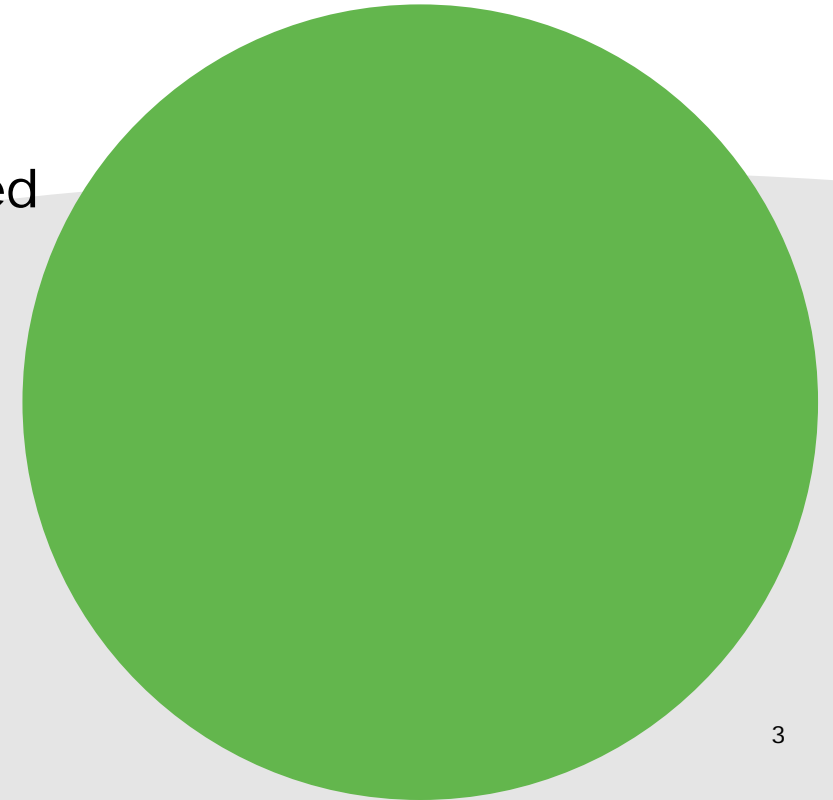
Olaf Jedersberger – COO Helios Kliniken
Corinna Glenz – Director Helios Kliniken Central Region

ℕ Helios

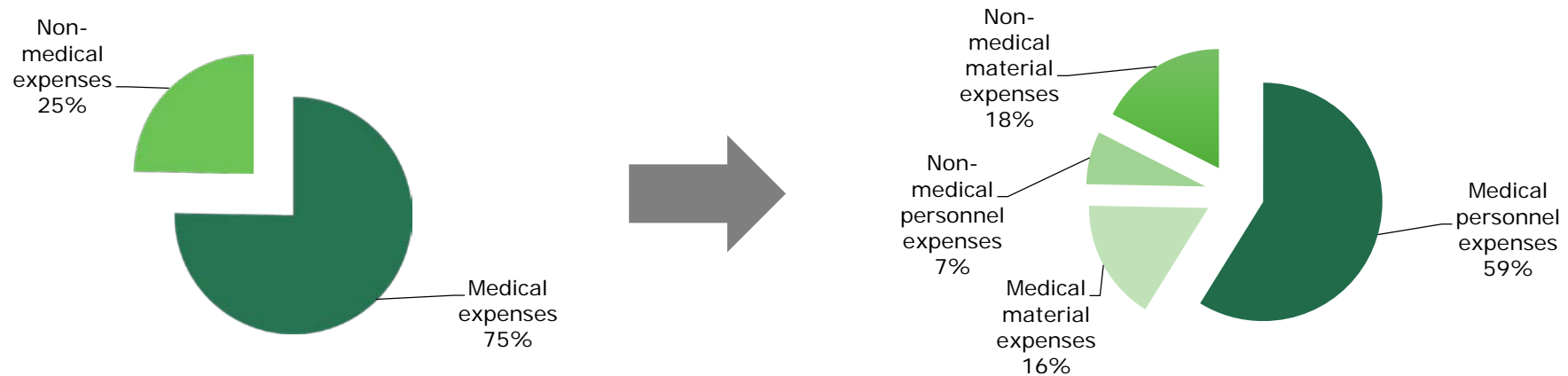# The Best of Both Worlds

Key Take-Aways

- Cost-cutting measures almost fully exploited

- Going forward, process optimization is key to increasing productivity

- Best in class measurement of productivity implemented

Cost Leadership

Objective: Maintaining cost leadership in Germany

Cost drivers in our 88 acute care hospitals:

Non-medical expenses 25%

Medical expenses 75%

Non-medical material expenses 18%

Non-medical personnel expenses 7%

Medical material expenses 16%

Medical personnel expenses 59%

Limited impact of mere cost-cutting

Current scope of action:
Increasing productivity through (more) efficient internal processes and structures

Helios

Benchmarking Drives Efficiency
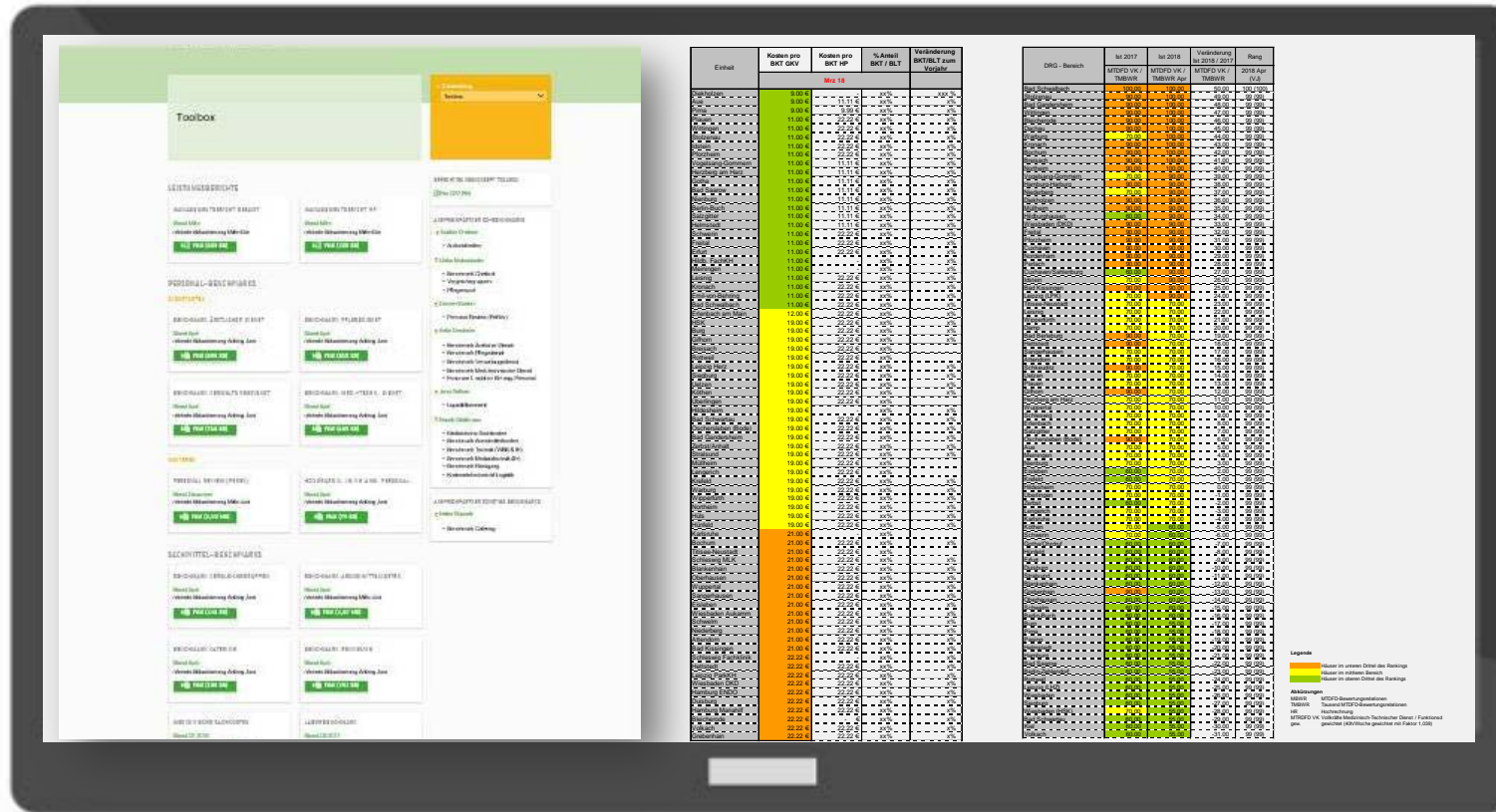

Toolbox

- available online for all Helios Germany acute care hospitals
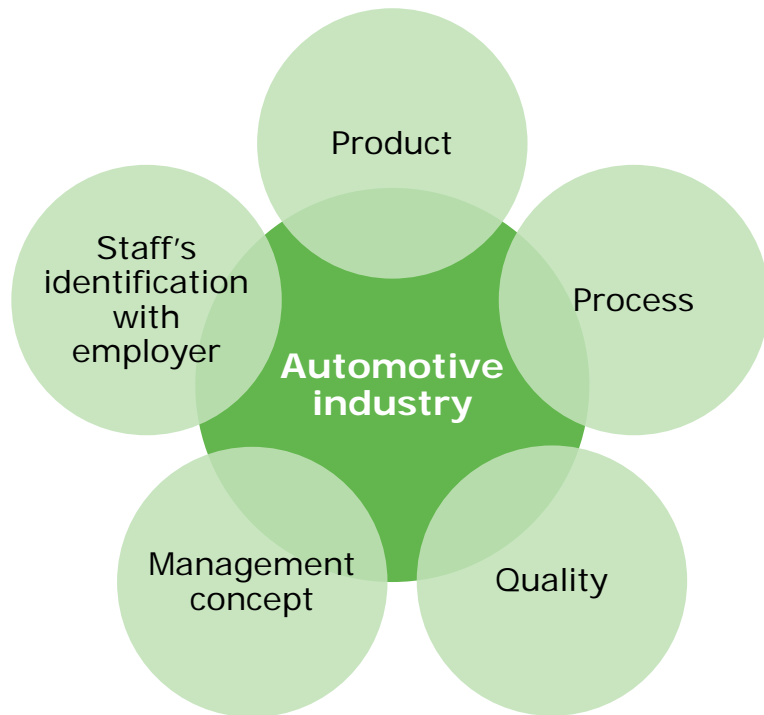
Benchmarks

- Personnel/staffing
- (Non-)/medical material
- Others

Reporting packages

- Updated regularly (monthly/quarterly)

Productivity in Hospitals?

Cost Leadership	Productivity	Economic Focus	Industrialization

Product

Staff's identification with employer

Process

Automotive industry
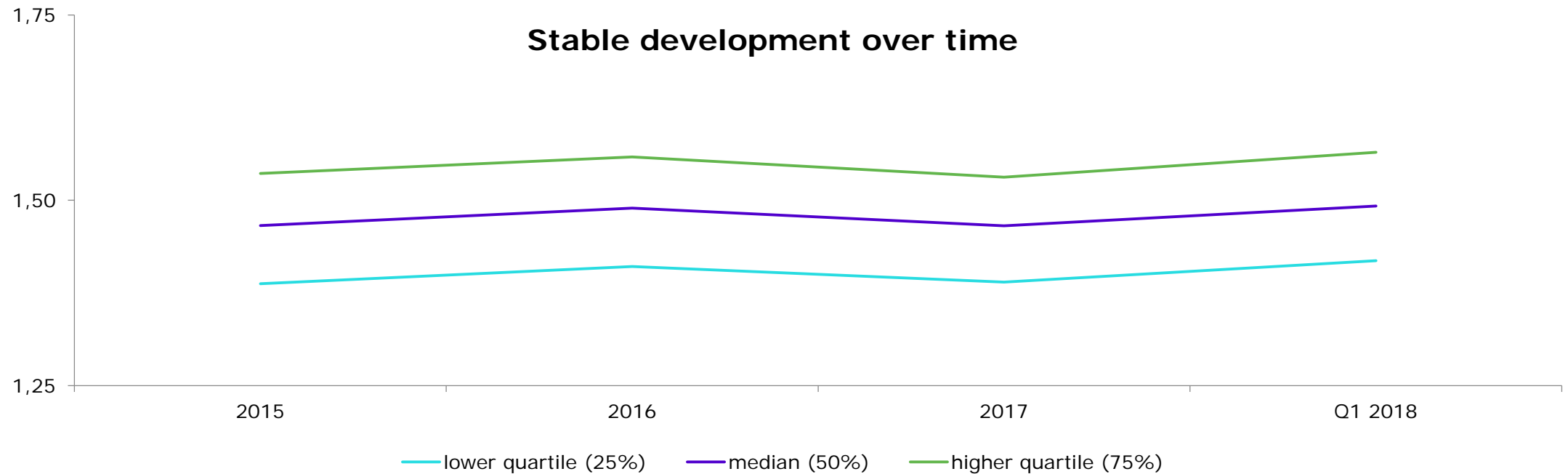
Management concept

Quality

Lesson learned:
Medical treatment process = Production process

Cost leadership as the result of optimized procedures – for us:
Optimization of medical productivity through standardization

How productive is our medical treatment process?
We measure medical productivity!

Helios Measures Medical Productivity

Medical costs

Stable development over time

1,75			
1,50			
1,25			
2015	2016	2017	Q1 2018

—— lower quartile (25%)   —— median (50%)   —— higher quartile (75%)

Defining parameters to increase productivity

Process Optimization through Standardization

"Optimal patient paths" as a lean management concept

SOP in medicine

Avoiding wastage

- Streamlining processes
- Resource efficiency

Best practice

Forming cluster and benchmarking structures, processes and costs

Innovations

- Medical technology
- Digitalization

Continuous medical and economic monitoring and assessment of market and innovations (e.g. Da Vinci)

Building structures reflecting medical processes and contents

Architectural design of efficient routing and formation of medical centers in buildings (e.g. new building HSK)

Cluster	Criteria (2017)	#
Cluster 1	Revenue > 200m €	6
Cluster 2	Revenue > 75m €	14
Cluster 3	Revenue > 45m €	15
Cluster 4	Revenue > 30m €	14
Cluster 5	Revenue < 30m €	19
Location	Location	6
Heart	Heart	2
"Belegklinik"	"Belegklinik"	4
Psychiatry	Psychiatry	2
Special clinic	Special clinic	3
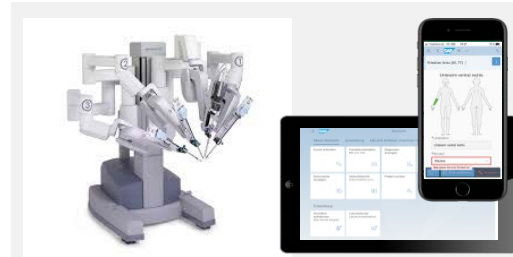
Lean management in administrative processes

Helios Dr. Horst Schmidt Kliniken (HSK), Wiesbaden, Germany

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Key Facts & Figures

Maximum care provider for the state capital, Wiesbaden (Hesse)

32 medical departments and institutes

Academic teaching hospital of the University of Mainz

850 Somatic beds
150 Psychiatric and psychosomatic beds

45,000   Inpatients per year
>100,000   Outpatients per year

2,250 Employees (1,744 FTEs)

HSK – The Starting Point

- Opening in 1982 – even then already a loss-making business

- Several flagship medical departments

- Each chief physician rules as sovereign king over his department

- Business operations are determined by local politics

- No investments in maintenance

- Outsourcing of capital-intensive divisions

- Various restructuring attempts

HSK – The Starting Point

2011

Decision to partly privatize the hospital – the external partner becomes minority shareholder while assuming full accountability for business operations and financial success

*Against privatization – Sign here

2012

Acquisition of HSK by Rhön Kliniken AG and start of restructuring measures

2014

Acquisition of HSK by the Helios hospital group

HSK – The Starting Point

- Chief physician vacancies in three departments: general surgery, neurology, internal medicine; generally declining case numbers

- 390 FTEs staffing surplus

- Monthly losses

- Lack of investment

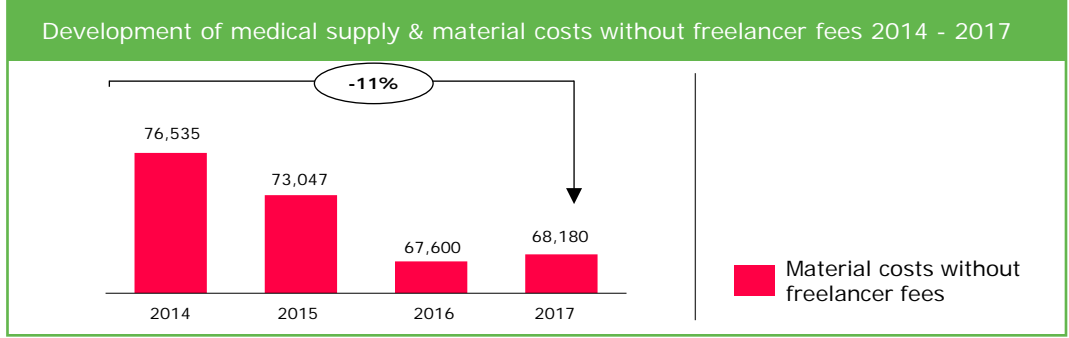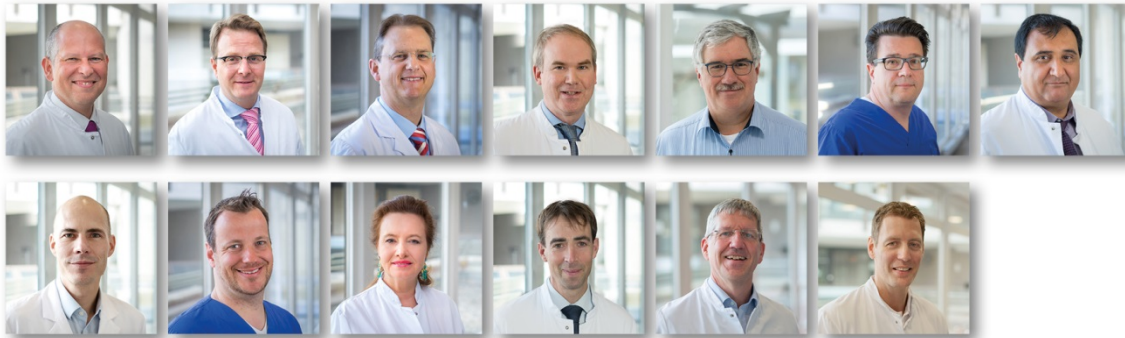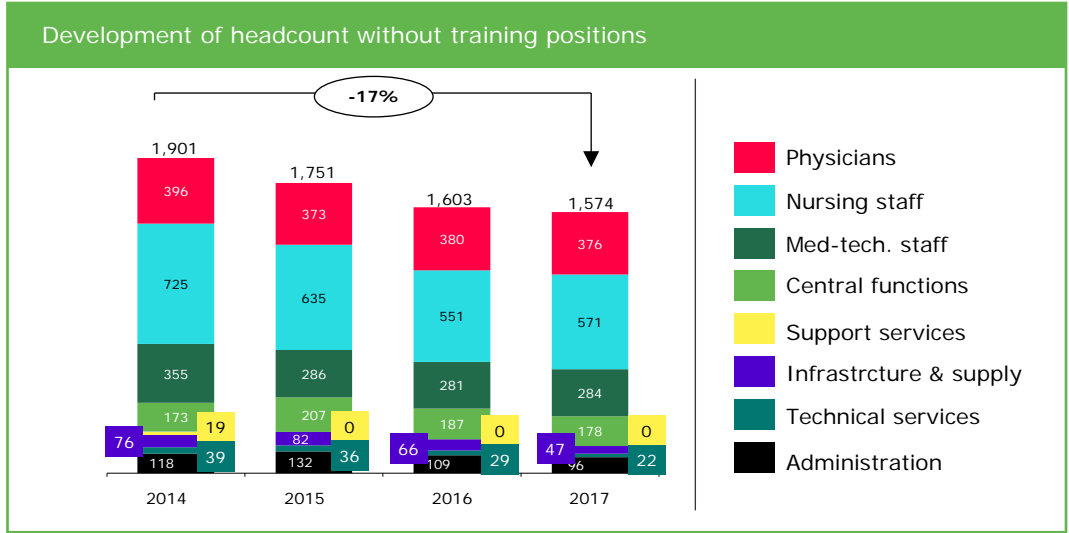- Critical public and critical local politics

HSK as Part of a Region

Our Way to Success – Step 1

Classic Earnings Improvement Measures

Development of headcount without training positions

-17%

	2014	2015	2016	2017
Total	1,901	1,751	1,603	1,574
Physicians	396	373	380	376
Nursing staff	725	635	551	571
Med-tech. staff	355	286	281	284
Central functions	173	207	187	178
Support services	19	0	0	0
Infrastrcture & supply	76	82	66	47
Technical services	39	36	29	22
Administration	118	132	109	96

Legend: Physicians, Nursing staff, Med-tech. staff, Central functions, Support services, Infrastrcture & supply, Technical services, Administration

Development of medical supply & material costs without freelancer fees 2014 - 2017

-11%

	2014	2015	2016	2017
Material costs without freelancer fees	76,535	73,047	67,600	68,180

Our Way to Success – Step 2

The New Hospital Building as an Opportunity – What Are Our Objectives?

- Creating a modern compact building, that is attractive for employees and patients

- Optimizing workflows and processes alongside architectural structures

- Reducing legwork for patients and employees

- Concentrating and centralizing core areas, such as OR and ICU

- Expanding the range of services and attractive accommodations for private patients

- Evolving the HSK to a center of excellence in a regional network

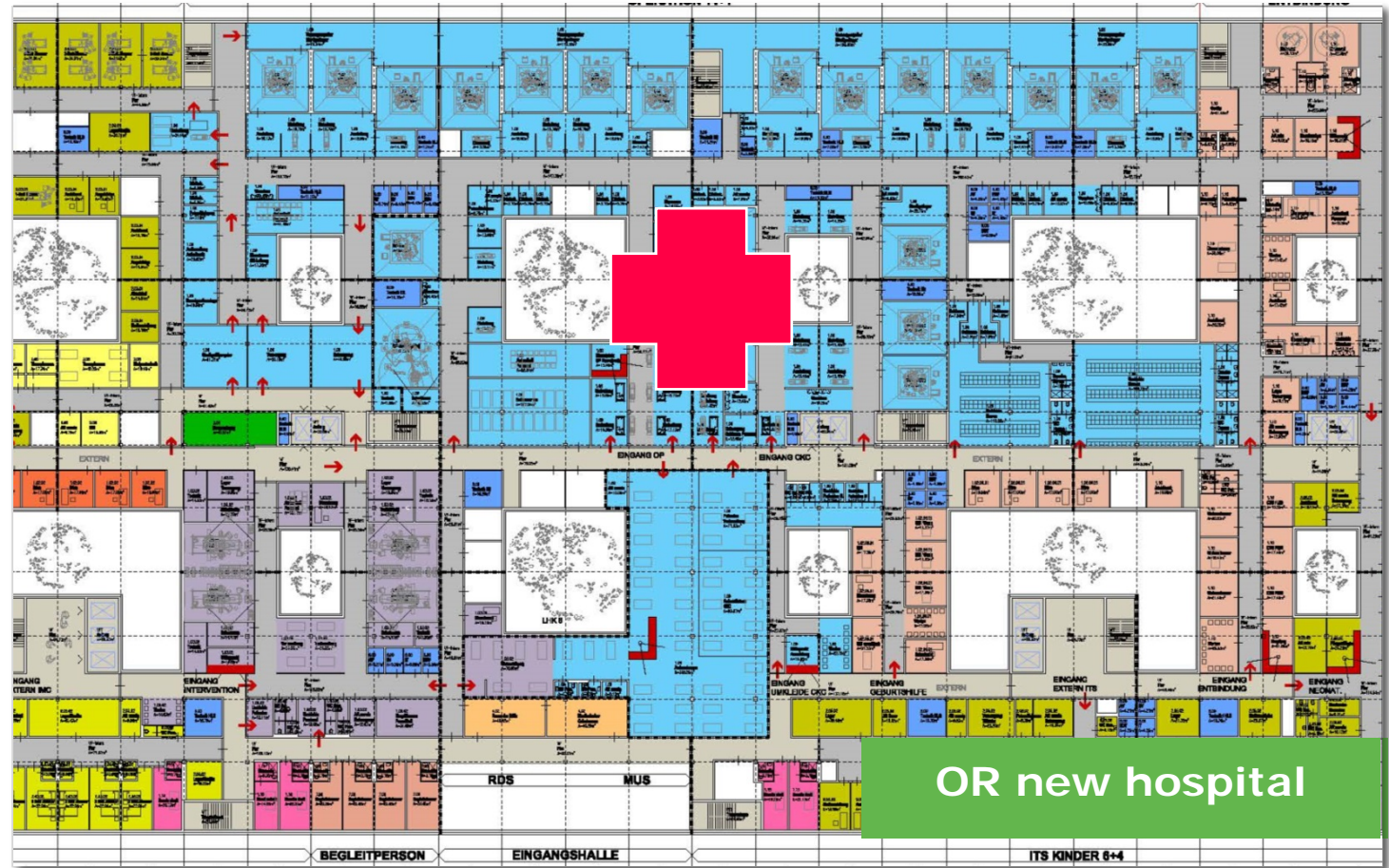# The New Hospital Building

Construction Project

- Total area of 96,000 m² – ca. 630 family homes
- Total costs of more than €263 million; €68 million thereof financed by public funds
- Construction field situated next to current hospital building; total area of hospital, incl. delivery area and construction field: 190,000 m²
- Continuation of the buildings housing the psychiatric unit, pathologic department, laboratories, department for hygiene and hospital general administration
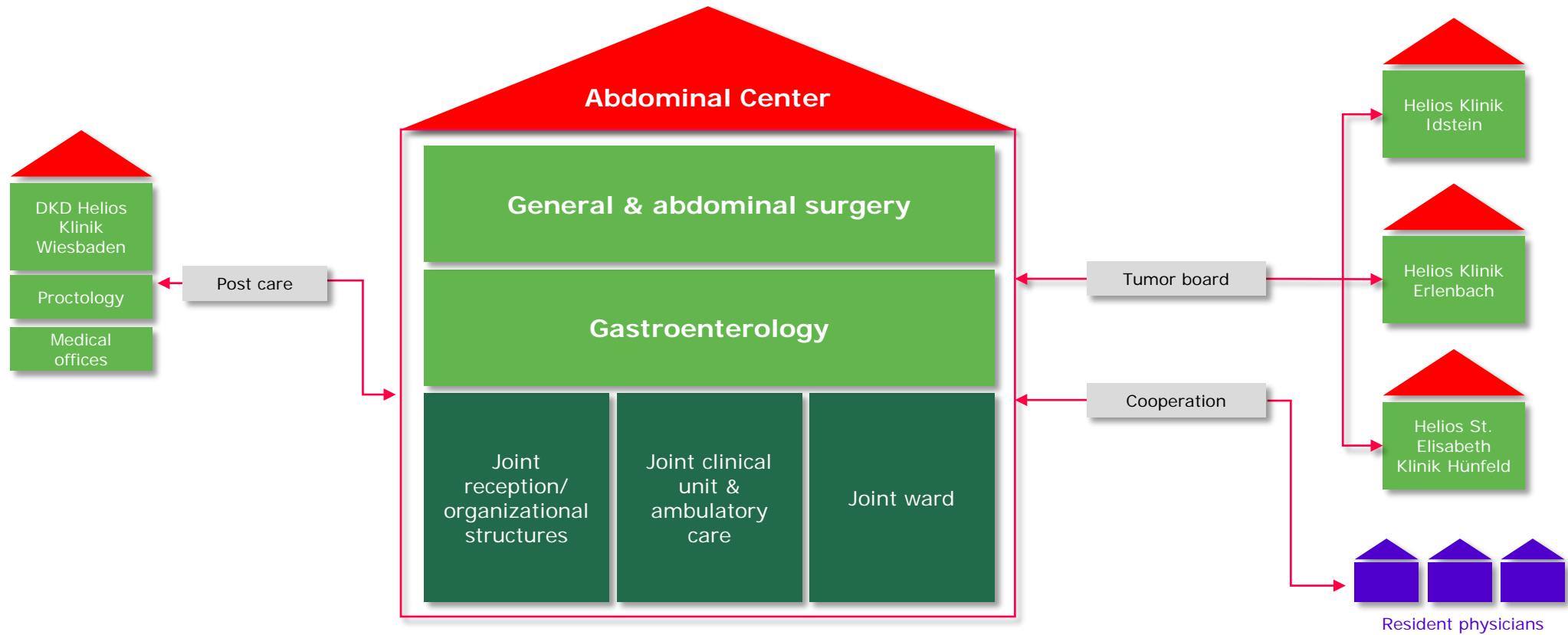- Completion: end of year 2020

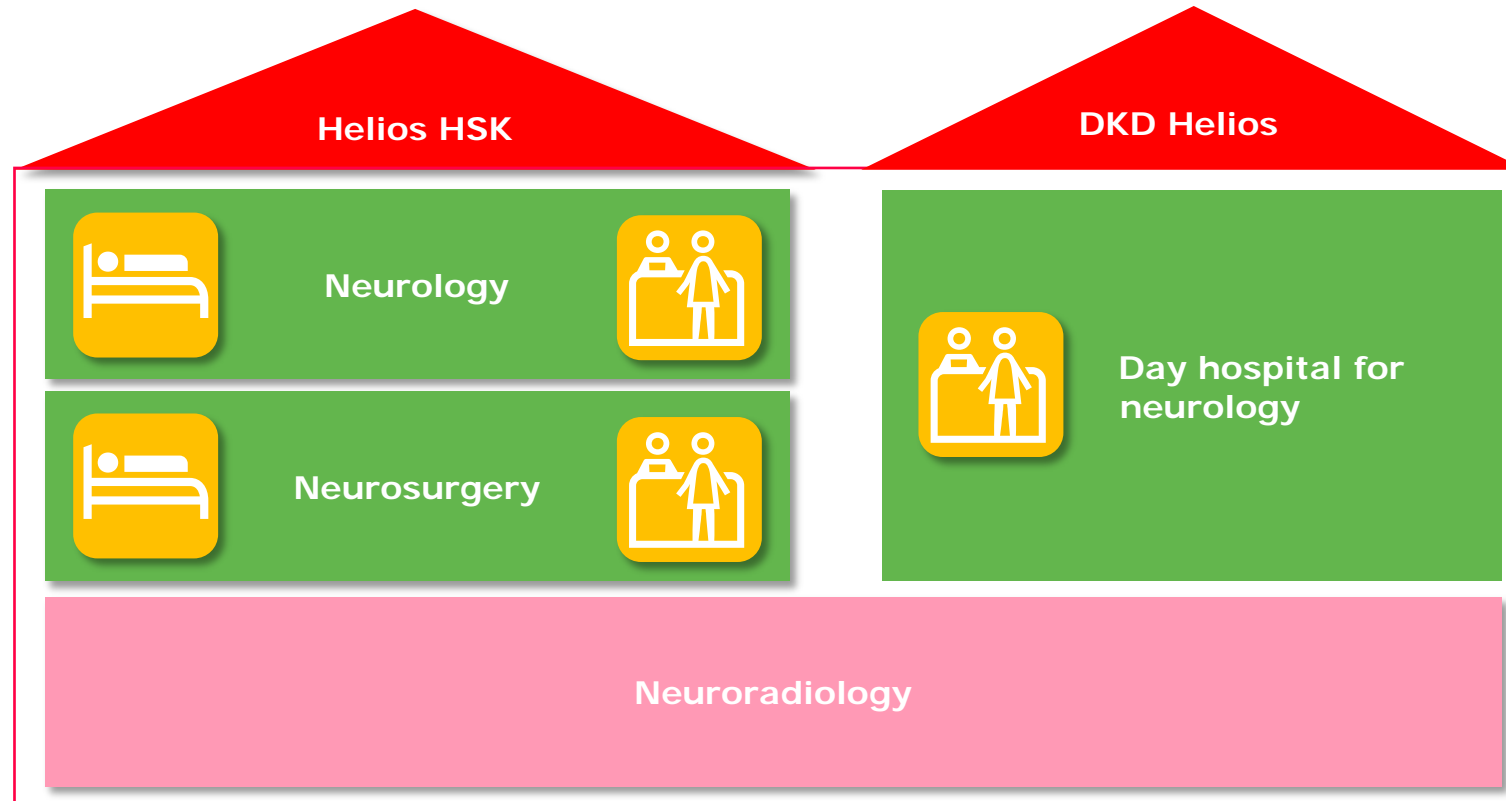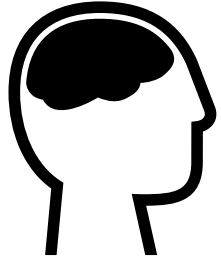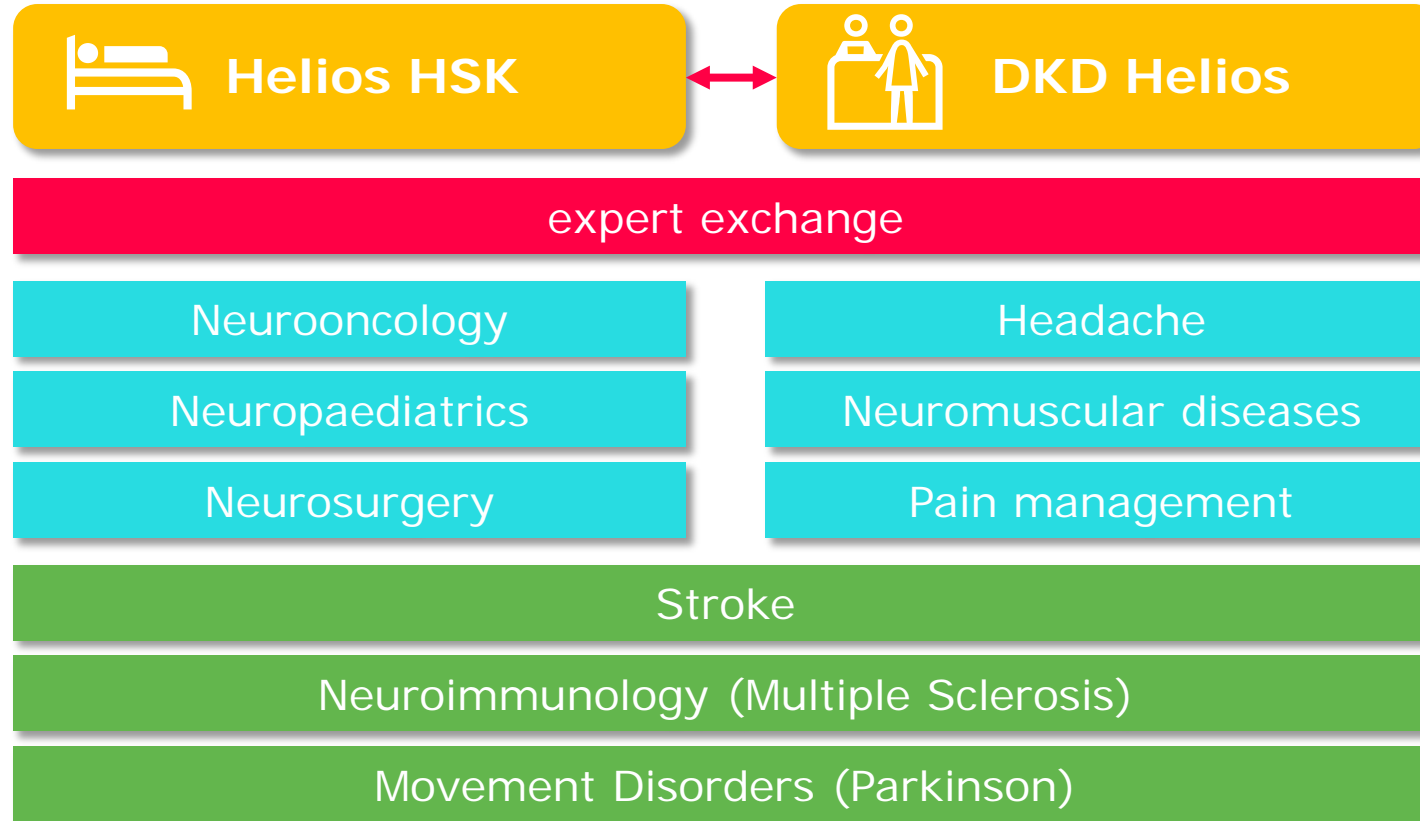# Enhancing Productivity Using Building Standards and SOPs?

30 FTEs Transportation service

vs.

Max. 10 FTEs Transportation service plus automatic transport system

OR new hospital

The HSK as the Hub of a Network

Abdominal Center

General & abdominal surgery

Gastroenterology

Joint reception/ organizational structures

Joint clinical unit & ambulatory care

Joint ward

DKD Helios Klinik Wiesbaden

Proctology

Medical offices

Post care

Tumor board

Cooperation

Helios Klinik Idstein

Helios Klinik Erlenbach

Helios St. Elisabeth Klinik Hünfeld

Resident physicians

The HSK as the Hub of a Network

Helios HSK

Neurology

Neurosurgery

DKD Helios

Day hospital for neurology

Neuroradiology

The HSK as the Hub of a Network

Helios HSK ⟷ **DKD Helios**

expert exchange

Neurooncology	Headache
Neuropaediatrics	Neuromuscular diseases
Neurosurgery	Pain management

Stroke

Neuroimmunology (Multiple Sclerosis)

Movement Disorders (Parkinson)

The HSK as the Hub of a Network

Woman & Child Center

Private patient ward pediatrics and obstetrics

Pediatric ward

Gynecological and obstetrical ward

Delivery room unit, C-section OR, pediatric ICU, neonatology

Pediatric ER, pediatric Day Hospital, Sociopediatric center, special pediatric outpatient care