PHILIPS
Health Informatics

Managed
Service
for your
healthcare
informatics

The healthcare landscape is challenging **and is changing faster than ever**

Faced with stronger competition in a volatile and dynamic socio–political environment, hospital networks are consolidating and growing rapidly. In size. In number of sites. And in the range of services they offer. As a consequence, hospitals are trying to manage and connect an ever-increasing number of vendors and disparate systems; all of which need to be adopted rapidly. Unfortunately, this often results in inefficient use of budgets that could have been directed more towards patient care.

In this increasingly challenging landscape, the biggest slice of a hospital's annual IT operations budget is spent "keeping the lights on" (focusing on activities that keep their current IT systems running). According to healthcare IT advisor research up to 78% of the annual IT operations budget is spent keeping current IT systems running. That leaves insufficient funding for new innovations, while those that are funded are being adopted slowly due to a myriad of issues including privacy, security, and siloed data. Moreover, disconnected systems and siloed data are leaving clinicians with an incomplete view of the patient. It's a scenario that needs to be tackled with new ways of thinking.

How best to respond?

To stay ahead of the curve in this complex and challenging environment, a strategic approach is needed. This requires shaping a vision for your enterprise, one that moves beyond simply maintaining the status quo.

To support you in this goal, you need a true partner rather than a variety of poorly connected vendors. A partner who performs more of your daily routine tasks, drives standardization and integration, reduces IT complexity, and shares in the risks. In short, a partner who enables you to do more with what you have.

That's not all. A different business model is needed.

Healthcare can benefit greatly from the as-a-service model

The economic engines driving the healthcare industry have incentivized volume over value-based behavior – at a mounting cost to society. This should change. Healthcare systems and vendors must do business in a significantly different way to create value together as partners in the healthcare delivery ecosystem.

As-a-service business models help to shift the focus to value-based care. This approach has been embraced by a number of industries such as manufacturing and high tech, largely on account of its greater flexibility.

The global software-as-a-service (SaaS) market is projected to be worth USD 60.36 billion by the end of 2023, growing at a CAGR of 10.9% during 2019–2023 . Some of the key players in the SaaS market include Adobe Inc., Microsoft Corp., Oracle Corp., Salesforce.com Inc., and SAP SE.

The principle behind this model is simple:

Desired capabilities focused on outcomes are purchased rather than the equipment and systems that deliver that result

Managed service model compared to the traditional service model

The managed service model is much more proactive and collaborative than the traditional approach, which is sometimes referred to as a "break and fix" approach. In the managed service model, it's the vendor who owns the infrastructure and provides ongoing support. This is a key difference.

Deploying a managed service model instead of the traditional model has benefits because it specifically addresses the pain points that healthcare providers are experiencing and provides a partner committed to their success.

On the next page you can find a chart of the comparison of the two models.

	Traditional model	As-a-service model
The customer-partner relationship	· Transactional and episodic. · This limits the value created by the customer-partner relationship.	· Drives a stronger customer-partner relationship. · An ongoing, long-term partnership based on value.
The service offered	· Reactive and focused on the usual "break, fix and maintain" cycle. · Additional support requires an additional payment.	· Value-based. · Includes proactive long-term strategy, optimization, data driven improvements and continuous customer education. · Partner provides upgrades automatically, guarantees uptime, provides system support, and shares risk.
The payment model	· Highly unpredictable. · High initial investments. · Familiar peaks and valleys year-on-year due to unexpected costs. · Volatility that some customers can tolerate for a short period; others can't.	· Provider retains ownership of equipment and software. · Provider is responsible for maintenance and system performance. · Customer sees lower initial investment and no unexpected costs. · Customer can predict cost over time thanks to a transparent total cost of ownership.
Innovation adoption	· Slower to adapt new innovations due to longer capital purchase cycles.	· Add new solutions and expand into new locations as your enterprise grows, leveraging the existing contract and benefits of the as-a-service model.

How can Philips help you take advantage of this managed service model?

The healthcare industry has lagged behind many other major industries when it comes to leveraging new business models as enablers to achieve higher quality and value. Traditional systems can prevent clinical departments from being agile and responsive to innovative technologies . But times are changing. Healthcare providers are now realizing that to survive in today's complex healthcare climate, successful enterprise partnerships built on well-structured business models and continuous innovation are needed.

According to a recent study done by Signify, IT solutions with an enterprise approach reduce the total cost of ownership for healthcare providers by reducing the demand on IT resources and simplifying security and contract management. Philips understands this significant change and has developed a fit-for-purpose solution: Philips Managed Service for your healthcare informatics.

Philips takes the responsibility of managing your healthcare informatics system so you can focus on strategic tasks to achieve your goals. Philips provides a complete platform to seamlessly manage different applications from various clinical domains across your enterprise. The solution includes all required infrastructure, software and support services for your healthcare informatics over a multi-year contract term with a pay per use or subscription payment model. In addition, Philips provides professional consultancy to meet the needs of your enterprise today and in the future. The results? Improved health outcomes, higher staff satisfaction, and lower cost of care.

The Quadruple Aim: Improved health outcomes | Improved patient experience | Improved staff satisfaction | Lower cost of care

The benefits of Philips Managed Service for your health informatics

Compared to the traditional model, deploying a managed service model helps you reduce variability. Moving to a platform for many clinical IT applications will provide additional advantages.

Financial and strategic benefits:

"It helps us save time and money when you don't have to repeat procedures because the same information is available in different settings."

Rick Fisher, Director of Imaging Services, Carolina East

CEOs and CFOs are under pressure to set their budget, reduce the risks, and have the flexibility to make smart investments to keep pace with rapid changes in healthcare technology.

Some of the financial and strategic benefits of a managed service are:

- **Predictable and transparent total cost of ownership:** Subscription and pay-per-use based payment models can lead to a more financially responsible and manageable setup. Payment is simple and cost-effective. It requires only a low initial investment and leads to a predictable cost over the period of the contract. This can leave more budget for innovation investments.

- **Reduce unexpected cost:** Managed service enables standardized, simplified ways to manage applications. It takes additional costs for updates, maintenance, security breaches etc. out of the equation and reduces unforeseen resource cost for integration and migration.

- **Latest clinical technology:** Philips provides up-to-date innovations with updates and upgrades without additional capital funding.

- **Risk sharing and system reliability:** Philips shares risk and ensures system reliability to help you achieve your goals, providing financial benefits in case performance guarantees are not met. Philips also helps you reduce risks relating to security and resources, and improve business continuity.

- **Shifts the focus to more strategic activities:** Since Philips manages the healthcare informatics environment with a predictable total cost of ownership, you can anticipate costs, allocate funds and resources better and potentially shift more toward strategic activities. Also, Philips creates a multi-year strategic plan according to your needs to help you achieve your enterprise goals.

- **Enhanced budgeting:** Typical annual budget cycles can be optimized for

equipment rather than IT. Internal capital budget competition for innovation becomes less of an issue for IT with an as-a-service business model.

- **Enterprise scalability:** The managed service approach supports continuous innovation throughout the duration of the contract and enables you to grow confidently. Additional healthcare IT solution components and clinical innovations can be added as needed with a predictable cost.

- **Change management:** Philips works side by side with you to manage change via dedicated experts.

Operational benefits:

"Philips enables us to do more with less. Our technologists spend less time doing paperwork or computer work. With information flowing through the system, they can concentrate more on patient care, on imaging work, and on getting quality information to the cardiologist or radiologist."

Donna Russell, Supervisor of Radiology and Cardiology Imaging, CarolinaEast Physician Practice Office

CIOs are expected to manage multiple vendors, complex integrations and a complicated landscape of software tools and platforms while ensuring security, system performance and staff satisfaction.
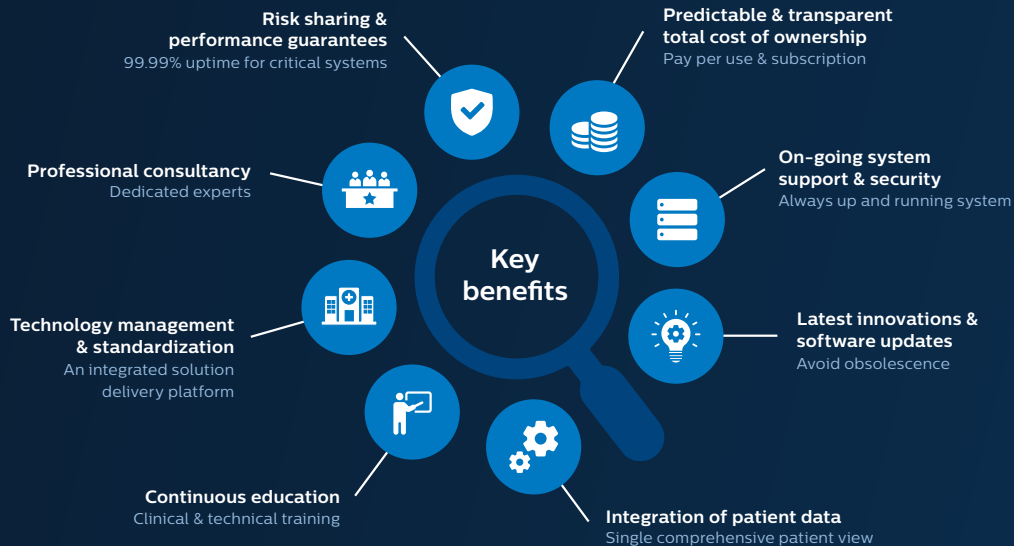
Some of the operational benefits of a managed service are:

- **A single contract and single contact for resolving issues:** This approach puts an end to the continual hassle of managing multiple vendors. Instead, you work with one support team and one implementation team for the complete solution.

- **A single platform:** Standardized infrastructure, software and services for clinical and operational applications under one managed service contract to optimize enterprise management.

- **Reduce staff burden and optimize workforce management:** All healthcare IT hassles are managed by Philips, who provide integration, installation, and proactive updates such as patching and anti-virus to meet the very latest security

standards. Philips also takes care of maintenance and even infrastructure. IT personnel can therefore focus on projects that improve operational and clinical outcomes.

- **Avoids obsolescence:** Philips provides the latest version of clinical applications (software and hardware) by means of regular updates and upgrades.

- **A system that is always up and running:** Philips continuously monitors the complete solution and ensures security. Proactive remote monitoring detects and addresses hardware and software problems before they impact performance. System support is available 24/7.

- **Data is always available:** Uptime guarantees (up to 99.99%) combined with back-up and restore capabilities keep your data always at hand.

- **Continuous technical education:** Technical training becomes easier to implement. Ongoing education reduces gaps in staff competency due to turnover.

- **Interoperability across departments and across enterprises:** Philips provides a full suite of innovative solutions and a single point of integration with your existing infrastructure. Reducing the number of EMR interfaces keeps costs manageable.

- **Continuous improvement:** Regular system reports provide real visibility into performance. This paves the way for effective KPI monitoring and improvements over time.

- **Easy scalability:** Philips provides support as you grow and helps you scale quickly to new solutions and locations, leveraging existing contracts when a fast ramp up is required to tackle new challenges (M&A, pandemic response etc.). Integration and installation take place on a scalable platform. Training, consulting and change management are included in the managed service to ensure seamless onboarding.

Risk sharing & performance guarantees
99.99% uptime for critical systems

Predictable & transparent total cost of ownership
Pay per use & subscription

Professional consultancy
Dedicated experts

On-going system support & security
Always up and running system

Technology management & standardization
An integrated solution delivery platform

Key benefits

Latest innovations & software updates
Avoid obsolescence

Continuous education
Clinical & technical training

Integration of patient data
Single comprehensive patient view

Clinical benefits:

"We are pleased to team up with Philips as we continue to adopt the most cutting-edge technologies to provide the best care possible to patients."

Daniel Barchi, Group SVP and CIO, New York Presbyterian

CMIOs are expected to make comprehensive patient data available for the right care at the right time. They should ensure clinicians spend more time on patients, not on managing systems issues. In addition, CMIOs are expected to provide the latest innovations to improve care.

Some of the clinical benefits of a managed servce are:

- **Integration of patient data:** A single comprehensive patient view ensures quick access to clinical information via an interoperable solution. Valuable information does not get stuck between different vendor systems, departments, and enterprises.

- **Professional services:** Philips assesses your enterprise, identifies opportunities, facilitates continuous improvement with data analytics, and provides ongoing support for clinical workflow optimization via dedicated experts.

- **Latest version of clinical applications:** Philips helps you keep up to date with the rapid pace of clinical innovation by providing the latest clinical applications to improve care while ensuring staff satisfaction.

- **Reliable and stable system:** A robust system which reduces the disruptions to clinical workflow.

- **Continuous clinical education:** Ongoing clinical training enhances user experience and keeps skills up to date.

Philips Managed Service for your health informatics

Solutions on the platform

Philips provides solutions across the care continuum, from modalities to software for all your clinical needs. Philips Managed Service for healthcare informatics is the first managed service solution in the market that includes radiology, cardiology, oncology, genomics and operational performance analytics. More applications/innovations will be added for other clinical domains in the future.

Healthy living · Prevention · Diagnosis · Treatment · Home care
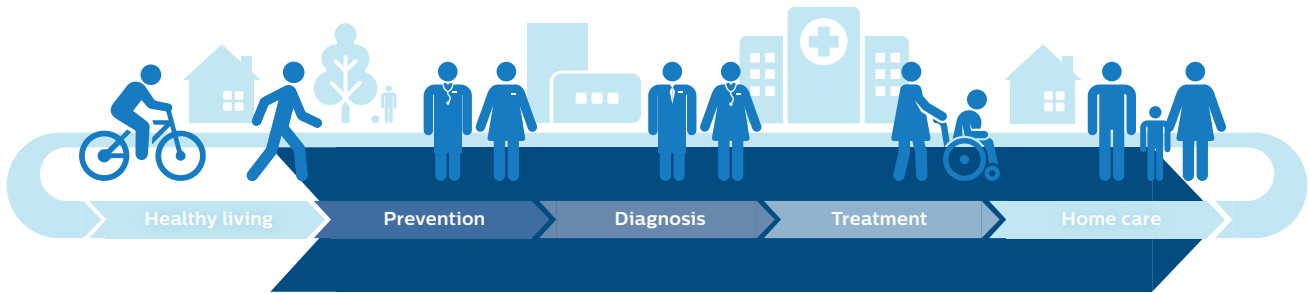
Achieve more with a committed partner

As your long-term strategic partner, Philips takes the responsibility of managing the healthcare informatics system to help you achieve your enterprise goals.

Ready to take the first steps towards implementation of a managed service model for health informatics? Please contact your local Phillips representative for more information.

[1] https://blog.dellemc.com/en-us/navigating-healthcare-it-transformation-and-economics/

[2] "Software as a Service (SaaS) Market" 2019 by Market Reports World. https://www.marketwatch.com/press-release/software-as-a-service-saas-market-2020-global-industry-overview-by-size-share-trends-growth-factors-historical-analysis-opportunities-and-industry-segments-poised-for-rapid-growth-by-2023-2019-12-10

[3] Harvard Business Review https://hbr.org/2018/03/hospital-budget-systems-are-holding-back-innovation

[4] Enterprise Imaging, Driving lower TCO for healthcare provider organizations, Signify Research, Jan 2020.

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