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## FLEXIBILITY – CREATIVELY STRUCTURING THE TRANSFORMATION OF HEALTHCARE

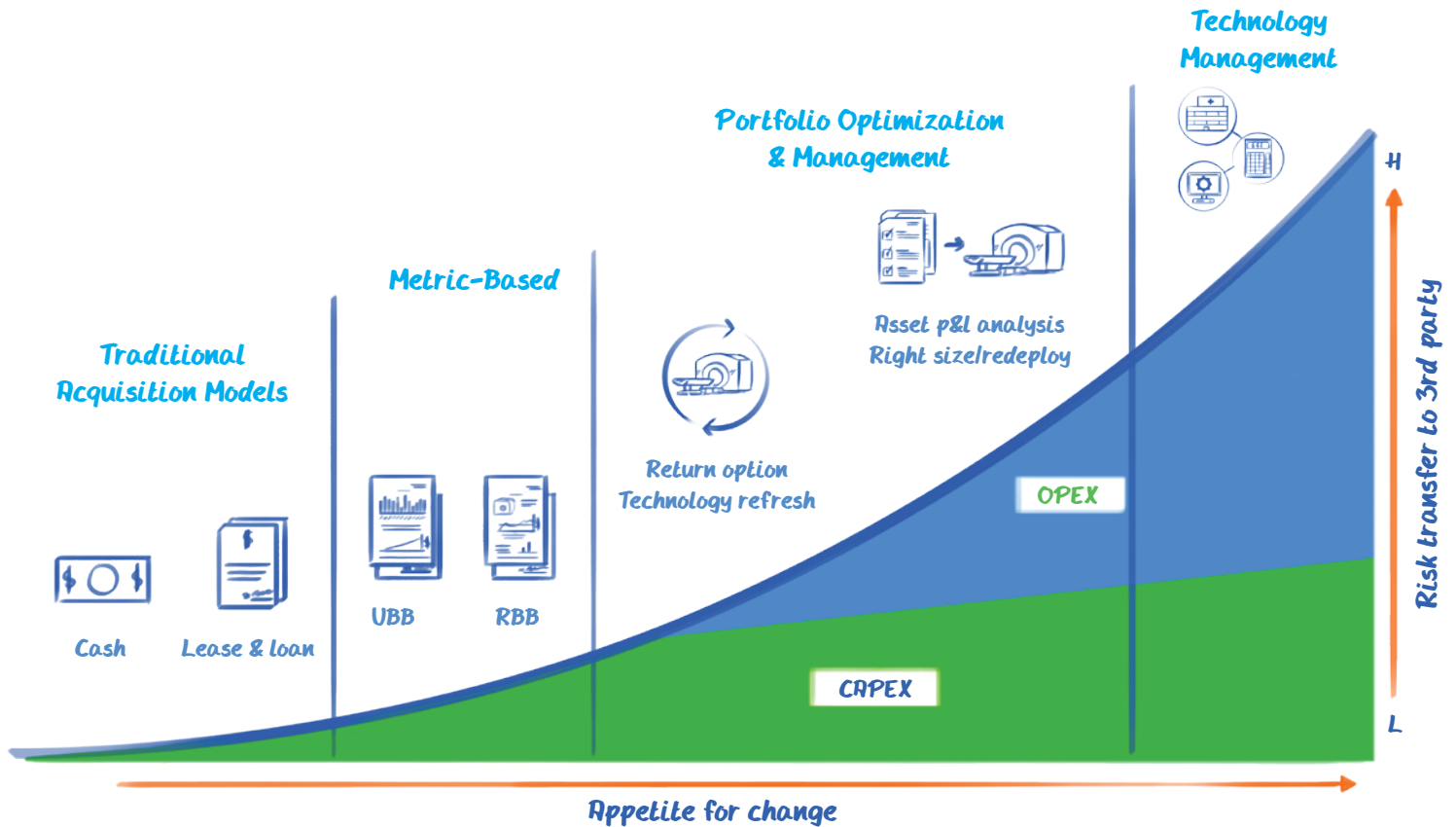
### **WE'RE NOT IN THE BUSINESS OF ONE-SIZE-FITS-ALL SOLUTIONS**

As the healthcare industry matures, it grows in complexity. Technology is changing rapidly, providers are consolidating and reform is shifting the market from a fee-for-service model to a value-based model. Providers are rallying to quickly adapt and keep up in this rapidly changing environment. As a result, every provider has their own story to tell about how they got to where they are, where they want to be and what unique challenges and opportunities lie ahead. Customers are coming to us with a wide range of concerns unique to their own experience within the industry. Solutions to these types of

challenges are beyond the quick fix of any one financial product. They must be tied to the clinical and operational roots of the organization in order for them to be robust enough to provide long term support.

What we have is a breadth of financial offerings, each created from working with customers to solve challenges unique to their situation. Our job is to build an understanding of the amount of risk a customer desires to assume and craft a solution that is specific to them. Having them see that range of offerings is important. It gives customers the freedom to decide how big their appetite for change is and ultimately puts them back in control of the services they need to provide.

# Evolution of asset acquisition and utilization models



## TRADITIONAL ACQUISITION MODELS

The industry as a whole is rapidly changing to absorb the effects of industry consolidation, innovations in technology and its applications, and changes brought on by the Affordable Care Act. There is a lot of uncertainty, making it difficult for forward-thinking organizations to develop financial and operational strategies with the flexibility to adjust to both internal changes and external market forces.

Leasing can deliver that flexibility by allowing providers to pass more of the risks of asset ownership to the lessor or the manufacturer. As a result, it gives providers the flexibility to manage assets, rightsize capacity and drive standardization or utilization based on external influences like changes in reimbursements or industry consolidations.

*During the term of a 5-year lease, we estimate as many as 60 percent of MR assets are upgraded. Leasing provides customers the flexibility to adapt and adjust to changes in technology and strategy.*

## METRIC-BASED

Where there is uncertainty, there is risk, and right now the uncertainty is around demand, reimbursement and technology. As a result, a lot of interest has been shown in risk sharing models that allow customers greater flexibility. Whether you're a new center that wants to provide a specific imaging modality but are concerned with future utilization, or you're seeking to expand capacity for certain procedures but are concerned with declines in future reimbursements, metric-based billing provides the flexibility to adjust your cost structure over time.

Usage Based Billing (UBB) is often a great solution for customers looking to add new imaging technology, but are uncertain that demand will support expansion.

Reimbursement Based Billing (RBB) is often a great way to enable the capacity for procedures that have an uncertain reimbursement future.

*According to MITA, there have been 15 cuts to imaging reimbursements reducing revenue by 17 percent since 2006. With metric-based billing options, customers can offset some of that risk.*

*"We are anticipating our customers' needs based on their feedback and developing an appropriate range of solutions."*

*Mark*



## PORTFOLIO OPTIMIZATION AND MANAGEMENT

Not every provider has a strong understanding of their radiology department's cost structure. In the past, this may have seemed inconsequential, but it becomes problematic in a rapidly changing environment where demand and reimbursement is less predictable. In today's healthcare environment it is beneficial to ensure that you are getting the most out of all your assets.

We can assist by coming in and doing a full assessment of your imaging assets. We help to evaluate whether you have the right technologies in place to meet the needs of today while planning for the future. Armed with that knowledge, we can help you make strategic decisions for your assets going forward by creating a technology management plan that is aligned with your clinical, operational and financial goals.

*Through CT asset optimization and capital planning efficiency, we were able to help one healthcare system save \$4 million in operational costs.*

## TECHNOLOGY MANAGEMENT

We're experts in healthcare just as much as we are experts in finance. For all our financial offerings we work closely with customers to understand their clinical, operational and financial goals to help them determine the best solution for their needs.

Technology Management is a holistic solution for customers looking for a broader sweep of optimization with the potential to reach a clinical level. It incorporates technology service, healthcare expertise and financing in a way that helps you manage technology obsolescence and locks in a predictable cost structure for an extended period of time. We can work with you to put a plan in place that helps take costs out while improving clinical efficacy and driving consistency through standardization and maintained asset optimization.

*We recently put together a first-of-its-kind risk collaboration between a healthcare technology company and an academic medical center. The arrangement included financial incentives that align both parties toward realizing shared objectives including a targeted \$39 million in operational savings over the life of the contract.*



GE Healthcare Equipment Finance, based in Brookfield, Wisc., is a leading provider of financing solutions to the healthcare industry. With 45 years of experience, GE Healthcare Equipment Finance helps customers improve their clinical, operational and financial outcomes by providing flexible offerings to meet their cash and technology needs. Through longstanding industry relationships, GE can help customers manage through today's industry dynamics while also planning for the future.

## Imagination at work

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