

WHITE PAPER

Managing equipment to achieve the QIPP challenge

A paper produced by Asterol to identify how smarter medical equipment strategies can deliver significant efficiency savings.



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Introduction

As the new economic reality takes hold of the NHS, this white paper examines how smarter equipment management can play its role helping the NHS to achieve £20 billion worth of efficiency savings over the next five years.

The National Director for Improvement and Efficiency, Jim Easton, is on record as saying that these savings will come through reducing input costs, 'classic efficiency' savings and service reconfiguration. Smarter equipment management can contribute to all of those areas as well as enabling providers to maximise income generating opportunities.

The role of equipment

We know from manufacturing that the most efficient companies are those that have everything working seamlessly along the value chain. They successfully navigate the tightrope between under- and over-supply so that appropriate products and services are always available to meet customer demand, while minimising idle products and services. Lean healthcare organisations are particularly adept at applying similar principles to caring for patients.

In modern healthcare, effective management of medical equipment is one of the key ingredients to get this value chain working effectively. High performing health care providers have ready access to good quality medical equipment so that they can respond to variations in clinical demand, yet they avoid the pitfalls of inappropriately specified equipment and resources which lie dormant as this would be costly and inefficient.

By managing equipment more effectively, high performing healthcare providers can also take advantage of revenue raising opportunities to expand services in response to patient demand without having to take on unnecessary risk or additional expense.

This white paper explores options available to providers to create an optimal medical equipment environment, including how to:

- Create the best possible operational environment
- Manage the existing equipment estate safely and effectively
- Meet and exceed regulatory requirements
- Optimise current and future purchasing decisions
- Respond to a more competitive environment

As well as comparing different approaches to procurement, this paper draws on examples from three core service areas: oncology, diagnostic imaging and EBME.

The best possible operational environment

If an organisation is serious about creating the best possible operational environment, it needs to have a clear idea about what such an environment looks like. In terms of medical equipment, clinicians need to be confident that they can focus their expertise on treating patients, supported by modern fit-for-purpose equipment which can provide accurate results quickly and when needed. Equipment downtime means wasted time, frustration and a poor patient experience. In some cases this can also directly impact on patient outcomes by delaying diagnosis or treatment.

Healthcare organisations need to find smarter ways to compare reliability across models and manufacturers.

There are a number of features which therefore need to be embedded into any effective equipment management strategy:

- Equipment that can respond to real-world clinical requirements
- Equipment that is fully utilised – i.e. high rates of equipment uptime and awareness of usage patterns to ensure working equipment does not sit idle

To achieve these objectives, a number of essential elements need to be in place:

- **Clinical buy-in to equipment choice** – this means that clinicians need to be challenged to make accurate and realistic judgements about the level of equipment they require confident that this will be upgraded at the appropriate point when new technological developments occur
- **Procurement informed by real-world reliability** – equipment manufacturers always have an advantage over individual healthcare providers because they know more about the reliability of individual models and any single provider. Healthcare organisations need to find smarter ways to compare reliability across models and manufacturers
- **Accurate and detailed measurement of current performance** – too often providers have an incomplete record of equipment reliability. A thorough account of all assets and their ongoing performance which can be easily interrogated is the only way to ensure that decisions are properly informed, lessons can be learned and progress made
- **Systematic and responsive maintenance** – even though routine maintenance is a regulatory requirement (see section below), too often many healthcare providers fail to implement and document the systematic maintenance of equipment according to manufacturers' guidelines. Not only does this pose safety risks, but it also undermines equipment reliability and makes regulatory compliance more difficult
- **Trained staff** – given the significant churn in personnel experienced by many organisations often for very good reasons, it can be challenging to ensure that all staff are appropriately trained. Yet unsurprisingly, outcomes reflect expertise and this is underpinned by systematic and effective training

The first step in achieving all of these objectives and essential elements is to have a strategic overview of the current state of play supported by detailed operational information.

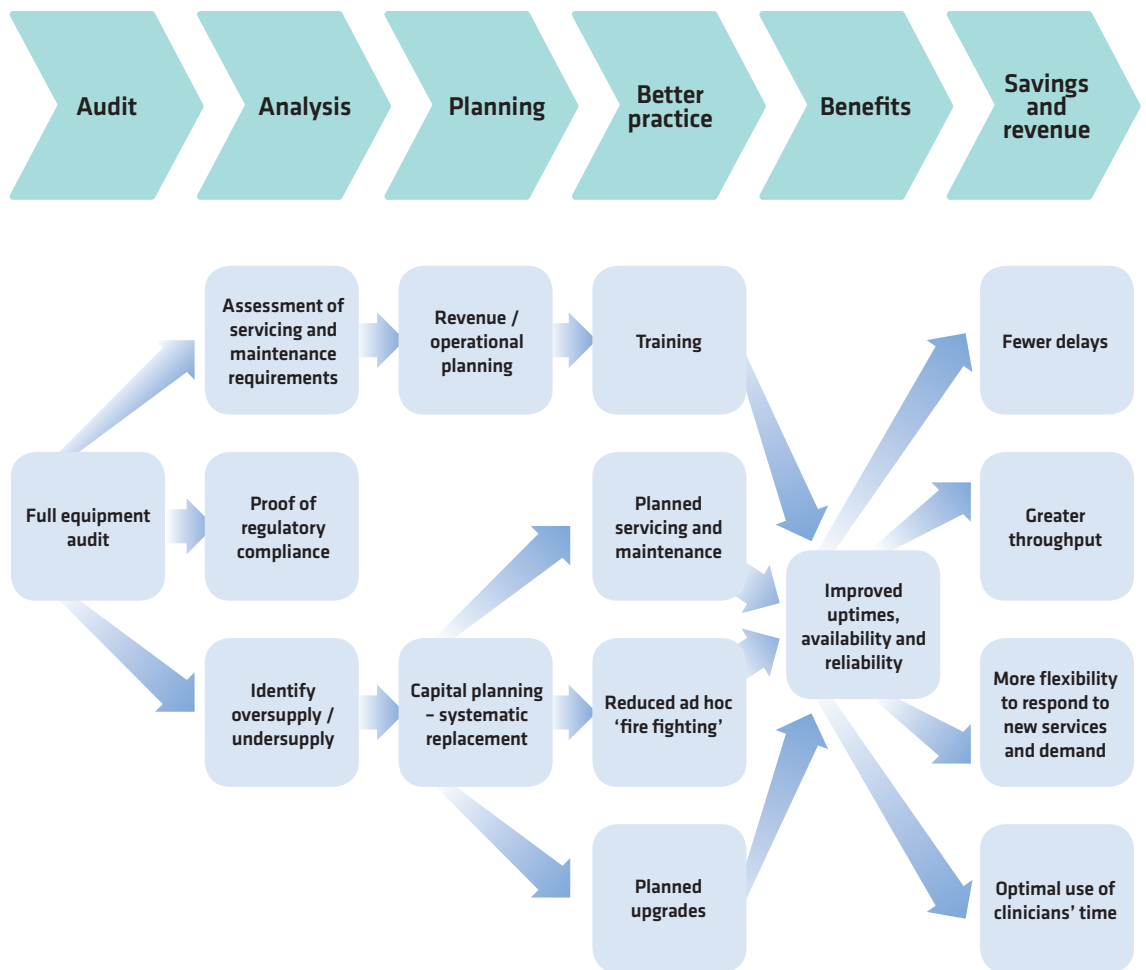
Grounded in reality – making the most of the existing equipment estate

A thorough and objective detailed account of the existing equipment estate underpins most elements of an effective equipment management strategy.

While some of the elements referenced above are dependent on new capital investment, for example procurement decisions, others are equally applicable to existing equipment estates. In fact, a wise procurement strategy will always start with a thorough understanding of existing resources.

It is hard to overstate the importance of having a thorough understanding of existing equipment including its performance and service history. While some records are essential to ensure regulatory compliance, a thorough and objective detailed account of the existing equipment estate underpins most elements of an effective equipment management strategy. The diagram below illustrates how audit supports improved practice which in turn leads to savings and enables greater revenue generation.

Figure 1: the importance of audit to support savings and revenue generation



As figure 1 illustrates, the path towards efficiency savings and revenue generation begins with a thorough and detailed understanding of the entire equipment estate. Key elements include mapping:

- Equipment type including installation and obsolescence dates
- Service and maintenance history
- Location and use including performance information such uptime data
- Availability of consumables etc

Asteral has voluminous experience carrying out audits for healthcare providers in the UK and has found there is a very significant degree of variation in equipment record-keeping. While many Trusts perform well, others barely do the minimum to achieve regulatory compliance and there are examples of unacceptably poor performance. Of course, by the time that Asteral is asked to carry out audits, Trusts have already recognised the importance of correcting omissions, but our experience suggests there are many providers which need to improve their performance dramatically in order to be able to provide a safe service, let alone achieve significant savings and improvements in care quality.

When tackling equipment audits, it is essential that providers have a clear focus on the objectives of the exercise. The purpose is to understand the estate better so that obsolete equipment can be phased out, performance improved and new procurement planned according to need. We know from experience working with NHS Trusts that excessive volumes of equipment are often procured because of deficiencies in understanding the full extent of the equipment estate. Equipment that could easily be repaired is often left idle and new unnecessary equipment bought instead of implementing a proper servicing and maintenance regime.

The most significant advantage of a thorough and ongoing audit is the ability to identify major underperforming assets. The performance of key pieces of equipment, e.g. CT and MRI scanners, have implications that go far beyond their diagnostic and imaging departments: efficient patient flow and optimal use of clinicians' time is disproportionately dependent on the performance of a small number of these major capital items. An accurate assessment of uptime performance sets important benchmarks and makes it possible to spot problems early so that they can be resolved before major operational interruptions occur.

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Exceeding regulatory requirements

As every provider knows, healthcare is beset by regulations and regulators. With over 35 regulators, auditors, inspectorates and accreditation agencies and 864 standards between them, it is easy to see how providers occasionally become lost in the myriad of regulatory detail.

While the detail of these standards would be beyond the scope of this white paper, it is worth reflecting on the Essential Standards of Quality and Safety required by the Care Quality Commission (CQC) and in particular Outcome 11 which relates to safety, availability and suitability of equipment. With the CQC's role now clearly focused on minimum standards for all providers of health and social care, there are clear requirements to ensure that equipment is:

- Properly maintained and fit for purpose
- Used correctly
- Available in sufficient quantities to ensure safe use
- Promotes independence and comfort of service users where appropriate
- Replaced according to a scheduled programme and decommissioned safely

The law and the CQC are absolutely clear that responsibility for interpreting and proving compliance with the above criteria rests solely with the provider. This means that providers have to take a comprehensive and proactive approach. It is impossible to do this effectively without full up-to-date knowledge of the existing estate as described above. In this context, it is worth drawing attention to just a few of the areas highlighted by the CQC:

- Adequate equipment means equipment that among other things is 'installed, used and maintained correctly with reference to the specifications, manufacturer's instructions, legislation and appropriate guidance from expert bodies' and 'properly maintained, tested, service and renewed under a recorded programme'
- That also needs to be effective risk management which includes elements of staff training as well as a clear set of policies and procedures

With the ever-increasing range of regulation including the implementation of the recent EU Medical Devices Directive by the MHRA, this is a rapidly changing area which requires scalable solutions to be effective. As well as these requirements, Trusts have to take responsibility for complying with equipment standards to support NHS Litigation Authority requirements as well as IPEM Report 95.

While the Government's shift towards outcomes should lead to the reduction of some data collections as indicated by the DH's Fundamental Review of Data Returns, the wider open government agenda means that there will be pressure to publish a wider range of providers' datasets sooner rather than later. Although equipment maintenance logs are unlikely to be in the vanguard of public-facing data, it is inevitable that Informatics organisations providing information to commissioners and the public will increasingly look for differentiators to enable patient choice. In that respect, a Trust's ability to prove it has a safe and well maintained equipment estate will become increasingly important.

Principles to optimise current and future purchasing decisions

Figure 1 explains how a better grasp of the existing equipment estate can flow through to smarter capital and revenue planning which in turn can enable efficiency savings and allow Trusts to take advantage of revenue raising opportunities. This section outlines some of the essential ways to ensure effective capital planning can be leveraged to optimise the procurement process and reduce costs.

Upfront investment in audit and maintenance to improve reliability and planning

Not only is a clear replacement plan a regulatory requirement (see above) but it also enables Trusts to run procurement timetables to their advantage rather than playing to the strengths of manufacturers. Manufacturers have a huge amount of information about individual items of equipment and their reliability. By having a better understanding of equipment performance, Trusts can improve their negotiating position. Auditing existing equipment is the first step towards this goal, but it is possible to go even by leveraging the expertise of organisations that purchase at scale across multiple healthcare providers and from all major manufacturers.

Take advantage of purchasing cycles

Manufacturers are more than aware of NHS financial cycles and as a result prices are adjusted to fit procurement peaks and troughs. While this is a natural consequence of supply and demand, it has significant financial implications for those Trusts which are unable to plan accordingly. A clear procurement plan phased over more than one financial year will help the Trust play these pricing fluctuations to its advantage.

Purchase at scale

Over the years, the Department of Health has pursued a number of different initiatives to take advantage of the NHS's huge scale. For a number of reasons, buy-in to these initiatives has been limited, and the price delivered, while often an improvement on the manufacturer's list price, does not reflect the full available saving. By factoring-in the full range of whole-life costs, focusing on targeted areas such as medical equipment rather than the entire scope of NHS procurement it becomes possible to combine scale, market insight and specialist knowledge to drive costs down very significantly.

Consider whole-life costs

Purchase cost is just one element of equipment procurement yet too often this dominates decision-making. The cost of consumables, training and decommissioning as well as maintenance, especially when informed by real-world performance data, can give a very different perspective from headline figure.

Ways to reduce costs

- Smarter financing structures so that VAT can be reclaimed
- Purchase at scale
- Effective risk management
- Upfront investment in audit and maintenance to improve reliability and planning
- Exploit purchasing cycles
- Specify for real clinical use
- Calculate whole- life costs including maintenance; consumables; training; assessment of downtime

Trusts should explore options for servicing and financial risk management which go beyond basic manufacturer-provided packages.

Effective risk management

Comprehensive service packages provided directly by manufacturers can be good value, but they can also overlook key elements of servicing requirements and leave Trusts exposed to significant and unexpected bills. Trusts should explore options for servicing and financial risk management which go beyond basic manufacturer-provided packages. This will help mitigate unexpected costs arising from equipment failure and also allow healthcare providers to plan, safe in the knowledge that equipment will be replaced according to schedule as obsolescence is reached.

Specify for real clinical use

It is important that clinicians are involved in the procurement process and that decisions are driven by clinical requirements. It is also important that this process is driven by a realistic assessment of the use to which equipment will be put. High-level clinical research requires a different set of equipment specifications compared with high-volume routine throughput. This will sometimes involve challenging clinicians' initial assumptions, but it is worthwhile because it can lead to a far more appropriately specified suite of equipment.

Smarter financing structures so that VAT can be reclaimed

Standalone equipment procurement clearly falls into the VAT payable category, but it is perfectly possible and entirely legitimate under current HMRC rules to gain access to state-of-the-art equipment through innovative financing structures which also include a range of services such as those identified above. Given the recently increased rate of VAT, this can represent very significant savings to the balance sheets of NHS Trusts. It can be particularly attractive to secure sustainable longer-term flexible investment to guarantee an up-to-date equipment base in the context of uncertain and fluctuating financial allocations.

Case Study



Asteral enables Kingston to grow Radiology services

Kingston Hospital NHS Trust's radiology department offers high quality CT services. To help the Trust respond to increasing demand, Asteral delivered a bespoke solution on time and to budget to provide a modern, efficient radiology department with improved patient and staff experience. The Trust also benefited from lower whole-life costs compared with traditional capital purchase or lease options.

The challenge

Kingston Hospital NHS Trust is the largest single site District General Hospital in London. It provides a full range of diagnostic and treatment services to approximately 320,000 local people. In a typical day, the radiology department would see more than 40 patients for various types of CT scan and levels are set to increase. Despite a compelling business case, the funds required to replace and upgrade the existing equipment as well as remodel the building represented a significant investment that needed a new approach.

The solution

Following a detailed evaluation, the radiology department chose Asteral to provide a flexible revenue-based solution that was both simple to implement and affordable. The solution spanned financing, project management of design, build and installation, equipment commissioning and operations – all delivered on time and to budget in just nine months. Asteral's vendor independent status allowed the team to find the best equipment available based on performance, reliability, flexibility and overall value. The two CT scanners selected featured state-of-the-art dose reduction technologies, greatly enhancing the value of the service to existing and potential referrers.

Instead of a capital or lease purchase, Asteral provided a fully-funded finance arrangement that enabled the hospital to make monthly payments over the course of the seven-year contract. These cover technology and maintenance plus the build, project management, training, response desk and other services.

The hospital's view

Jim Weir, Head of Radiology at Kingston Hospital, has been pleased with the service, commenting 'from the outset, Asteral's team has impressed me with their expertise and professionalism. Since both scanners became operational in late January, Asteral has provided detailed monthly reports of the performance and availability of each scanner complete with key performance indicators, something I have never experienced from any other supplier.

"I am really proud of our new department. We provide an excellent quality of care due to new imaging techniques enabled by state-of-the-art technology. We also provide outpatients with a much-improved experience, thanks to a more efficient imaging facility and remodeled patient flows."

Commenting on Kingston's first experience of a managed service, Jim Weir said 'it has been a very good one [experience] and certainly something that we will look to repeat. The project has increased the capacity of Kingston's Radiology department by more than 240%, allowing much greater flexibility in patient scheduling. This not only improves service levels to all patients and referrers but also, most importantly, enables the hospital to increase urgent or in-patient access and supports the planned extension for a walk-in direct access service.'

Preparing for a changing and more competitive environment

Many commentators have noted the significance of the Government's health reforms, some describing them as the biggest changes to the NHS since its formation in 1948. Although the ultimate direction and precise form of the reforms are still emerging, it is clear that the Government wants to see a broader range of providers operating in a more competitive environment.

A new mindset

For organisations that are more used to partnership and cooperation, this shift to a more competitive and commercial world presents many challenges. However, many of the central insights which inform public service are common to successful commercial organisations even if they tend to be framed in different language. For example, effective 'marketing' in the commercial world is really about understanding customers' needs and aspirations, before creating products and services that address those requirements. Similarly, the NHS has a long-standing public service ethos about delivering services which make a real difference to patients' lives. Viewed in this way, there is less that divides the public services and commercial world than may first appear.

A different type of market

This increased commercialisation does demand a significant shift in the thinking of healthcare providers. A relentless focus on customer satisfaction is a very effective strategy for commercial success, and in public services it is important to remember that there are several different types of 'customer', who have different roles and requirements:

- **End-users** – patients, their carers and families
- **Payers** – commissioners and through them taxpayers
- **Decision-makers** – including patients as well as referrers and clinicians along the patient pathway

Changing demands

Separation of the end-user, payer and decision-maker leads to a very different marketplace compared with typical retail or business-to-business industries. It becomes even more complicated when complex patient pathways and clinical networks are overlaid, yet there are some core observations which will help providers navigate the new dynamic:

- Changing expectations of care – the combination of more portable technology, mobile communications and consumers are powerful drivers towards a more personal experience of care which may often be home- or community-based
- Demographic changes towards an older population mean that there will be more patients with long-term conditions who must play a more proactive role in their own care management if future provision is to be sustainable
- Patients have far more access to information about their health and conditions. In turn they want greater choice both in provider and treatment options informed by meaningful information

How to respond

This means that providers need to respond in a range of ways for each of these audiences:

- Care increasingly needs to be provided in a variety of settings. There will always be a clear rationale for hospital-based provision, though this increasingly needs to be complemented by community-based clinics and services based closer to home
- As 24/7 culture increasingly pervades all aspects of life, so patients will look to healthcare providers that can deliver services in evenings and at weekends. While the experiment with 'Darzi' or Equitable Access Centres has had mixed results in terms of registered patients, it is clear that those centres which were appropriately sited have experienced clear demand for services beyond traditional hours. Given that acute Trusts sit on major and extremely expensive assets which are dormant for large parts of the week, it is only a matter of time before innovative Trusts begin to offer services to attract patients (and revenue) at unconventional times
- Patients will also look for information about providers. Evidence suggests that outcome-oriented information is of critical importance as is information about patient experience and access
- Commissioners and referrers will also require access to information, though this will inevitably be more focused on technical aspects of care. The rapid production of up-to-date, reliable and accurate information will therefore assist competitiveness. This will be particularly important for diagnostics and feedback to primary care clinicians

Risk management to support a more flexible service

For equipment, this means supporting a highly efficient service that can be easily flexed to meet fluctuating demand. It also means that investment in new technology carries greater risk than in the old world: without up-to-date diagnostic and medical equipment, providers will struggle to attract patients, but that very same investment carries greater risk if patients choose to go elsewhere. Trusts should therefore look to mechanisms whereby they can share the risk associated with equipment procurement balanced by investment in effective service promotion.

The rise of information

For choice and competition to be meaningful, there has to be more information available to the public, clinicians and commissioners. For equipment management this means:

- Producing more reliable information to support the Outcomes Framework – which will directly drive Trust remuneration
- Supporting patient-held records as well as the flow of information between and within relevant healthcare providers
- A focus on internal metrics to improve productivity and efficiency identifying weak spots
- Rapid turnaround of diagnostic data to support primary care and drive referrals

Hallmarks of successful commercial organisations

- Excel at meeting customer priorities
- Consistently deliver excellent customer satisfaction
- Provide real value including and going beyond cost

For healthcare providers this means

- Provide rapid and accurate feedback to referrers and commissioners
- Provide prompt and flexible appointments which can be arranged to suit patients often going beyond
- Responsive, which means ability to scale assets, go beyond Monday-Friday daytime provision
- Deliver a service within tariff that is of a higher quality than delivered by other providers
- Support excellent outcomes while ensuring care is focused on patients

Changing care requirements – the rise and rise of cancer services

As new clinical evidence emerges and the Government's wide ranging health reforms are implemented, every area of care will need to respond to changing requirements. To take cancer as an example, the Department of Health is prioritising improving outcomes, patient choice and information:

1. Improving cancer outcomes

- Cancer survival rates in England compare poorly with those of comparable countries
- The Outcomes Framework is designed to incentivise healthcare that leads to improved outcomes. Specific cancer-related indicators contribute to all five domains in the framework. These will turn excellent cancer care into an even more important area for commissioner and provider performance and remuneration
- There is clear evidence that earlier diagnosis is generally cost-effective at improving survival rates, e.g. colorectal, breast, lung, prostate and skin cancer
- The cancer commissioning toolkit advocates a range of measures including provision of screening programmes, reducing inappropriate delays, delivery of safe and effective radiotherapy – all of these continue to be best practice and recommended by the DH.
- In the 2011 cancer strategy, the DH focuses on public health interventions and rapid access to treatment as the key mechanisms to improve outcomes. As part of this, the strategy:
 - Highlights the importance of a 23-hour pathway or day case approach for breast cancer which improves patients' experience, reduces length of stay and saves resources
 - Recommends that cancer waiting time standards should be retained by commissioners
 - Focuses on QIPP savings including reducing inpatient admissions the new diagnosis; shortening average length of stay; and reducing the current twofold variation in use of radiotherapy machines

2. Extending patient choice

The Department of Health has identified the importance of working with patient groups to improve care and public understanding of cancer. This includes care provision and means that existing NHS providers will need to be creative about integrating new organisations into pathways of care. This creates new opportunities for providers to deliver discreet elements of care along unbundled patient pathways.

3. Improving information

The DH is looking to achieve several policy objectives by improving information:

- required by patients to make the right decisions about their health and treatment
- about cancer to help the public make the right choices about healthy lifestyles
- available to commissioners and providers to improve the quality of care available

Robust equipment-related metrics will be particularly important to support the efficient delivery of cancer services including rapid access to high-quality diagnostics and radiotherapy.

New entry points along fragmented pathways

To date, most of the discussion about increased choice and competition in NHS services has focused on new types of providers and choice of the point of GP referral. Innovative providers have already begun to think about how to structure patient pathways more effectively and as the choice agenda develops there will be an increasing range of opportunities for patients to choose different routes at various stages along those pathways – the days when providers can expect that a patient who arrives for diagnostics will always leave having received a complete episode of care are numbered. This fragmentation poses real challenges for healthcare providers as well as opportunities:

- Diagnostics will remain a key point of entry for providers acting as a gateway for patients to enter hospital-run pathways, but they will also become stand-alone services in their own right with the potential to generate significant income. In the US, promotion of diagnostics is a key part of the commercial strategy of many hospital groups
- Other parts of the fragmented pathway will become services in their own right. This has a number of operational implications: providers need a greater understanding of their cost-base to ensure that cross-subsidies are not inadvertently undermining the financial viability of the provider; providers will want to focus resources on promoting commercially viable services within the local health economy; the availability and quality of equipment used at each stage of the pathway will become a selling point to commissioners and referrers


This means that the effective equipment management strategies will have to develop a more sophisticated understanding of their own financial dynamics including how, when and where services are used.

Thinking beyond the NHS

The Health and Social Care Bill currently before Parliament contains measures to remove the private patient cap from NHS Foundation Trusts. This clearly opens up new revenue raising opportunities from the private medical insurance and private-payer markets in the UK, but this is only the tip of the iceberg. For example:

- Large employers have for many years been the principal purchasers of private medical insurance and more recently their approaches have evolved to encourage healthier behaviour among employees. There may well be opportunities to use resources and expertise to support partnerships with major employers to help them in their efforts to improve workplace health while generating valuable income beyond shrinking NHS budgets
- There is scope to develop partnerships that can both generate new revenue and deliver faster diagnostic processing times, e.g. taking advantage of different time zones to work with providers in other countries to interpret results overnight

Case Study

University Hospitals of Leicester 
NHS Trust

Asteral and University Hospitals of Leicester NHS Trust respond to changing needs

Asteral has helped University Hospitals of Leicester NHS Trust achieve significant savings by varying existing equipment service contracts to respond to changing clinical requirements.

Leicester's hospitals first appointed Asteral in 2003 to deliver a Managed Equipment Service (MES) covering the procurement, management and maintenance of a range of imaging equipment for eight years. In 2007, the Trust expanded this arrangement to cover 95% of its imaging equipment for a further 19 years.

After examining changing requirements and the pressing need to make efficiency savings, Asteral worked in partnership with doctors and radiographers at Leicester's hospitals to develop a variation to the existing agreement so that the hospital can respond appropriately to future requirements.

Dr Shona Campbell, divisional director for clinical support at Leicester's hospitals explains,

“We have been really impressed with the flexibility of Asteral's MES contracts, which ensure that we have the best equipment to suit our current and projected future needs. Once complete, our new equipment portfolio will enable us to improve levels of patient care now and in the future, whilst driving efficiencies across the entire Trust.”

The changes, which went live on 1 May 2011, give the Trust a more efficient and leaner portfolio of equipment across its three hospitals. New, state-of-the-art technology and techniques for diagnostic investigation and therapeutic treatments are being adopted to improve the quality of patient services, while guaranteed uptime across the whole radiology equipment portfolio ensures a more efficient and reliable scheduling of work.

Practical options for more effective equipment management and procurement

By utilising a specialist provider to manage the selection, procurement and maintenance of equipment, Trusts can reduce the complexity and risk associated with managing medical equipment.

So far, this white paper has examined some of the key drivers that will impact on healthcare providers and equipment management in the future as well as how best to respond to them. In summary, the key essentials are:

- **Metrics** – to inform strategic decision-making and ensure a safe care environment that meets and exceeds regulatory requirements
- **Planning** – to have a better understanding of requirements and proactively address weak spots
- **Procuring at scale** – drawing on performance insights to inform choices as well as leverage negotiation strength
- **Focus on quality and efficiency** – seamlessly supporting wider healthcare activities with the ability to flex to meet demand
- **Smart procurement** – looking at whole-life costs and taking advantage of financial structures to allow savings through e.g. VAT reclaim

There are several different models of procurement from which Trusts can choose. These range from direct procurement from equipment manufacturers through to all-encompassing packages which embed all of the features identified in this white paper. There are circumstances under which all of these groups have merits – the challenge is to understand the range of options available and how best to apply them.

Procurement and equipment management options include:

- **Direct procurement from manufacturers** – this is the route most familiar to NHS Trusts. While it allows for direct dialogue with manufacturers, it is difficult to negotiate at scale through this route beyond the confines of a single Trust. This approach also means that the Trust has to retain responsibility for all the different aspects discussed in this white paper and cannot take advantage of scale, smarter financial structures or risk sharing.
- **Purchasing from 'catalogue' resellers** – by pooling purchasing through a third party, Trusts can gain some cost-reductions compared with manufacturers' list prices, but these routes tend to lack transparency in terms of full cost savings and they do not attempt to offer the wider benefits discussed in this paper such as inform negotiation based on performance data, risk pooling or smarter financial structures which allow VAT reclaim.
- **Outsource to a specialist provider** – today's equipment management programmes, which are based on the model of Managed Equipment Services (MES), have evolved so they are now available over shorter terms and with the benefits intact. These bring simpler arrangements and more flexibility. By utilising a specialist provider to manage the selection, procurement and maintenance of equipment, Trusts can reduce the complexity and risk associated with managing medical equipment and multiple maintenance contracts. In turn many Trusts achieve significant cost and efficiency savings.

Asteral

Asteral provides strategic equipment services that deliver a more efficient and productive medical equipment portfolio at a lower whole-life cost than traditional methods of acquiring, managing and maintaining medical equipment. Our flexible services are tailored to meet clinical and financial requirements and enable our customers to resolve a range of equipment-related challenges so that Trusts can:

- Meet cost improvement targets for medical equipment
- Improve the management of your medical equipment estate over the long term
- Replace ageing, high value imaging equipment with new technology
- Build additional equipment capacity to meet patient demand
- Reduce the burden of managing multiple equipment maintenance suppliers
- Gain a better understanding of the condition and utilisation of your equipment portfolio
- Extract value from old or redundant equipment and dispose of it safely

ⁱ What's it all for? Independent Healthcare Advisory Services and NHS Confederation, 2009

ⁱⁱ Fundamental Review of Data Returns – A Consultation on the Recommendations of the Review, August 2011

ⁱⁱⁱ Cancer Reform Strategy, Department of Health, December 2007

^{iv} The likely impact of earlier diagnosis of cancer on costs and benefits to the NHS, Department of Health, January 2011

^v Cancer Commissioning Toolkit, Department of Health, June 2008 (reissued by the DH mid-2011)

^{vi} Improving Outcomes – A Strategy for Cancer, Department of Health, January 2011

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Asteral is the UK's leading vendor-independent provider of equipment management solutions to the acute healthcare sector. We combine clinical expertise, technical excellence and commercial understanding to deliver long-term and transformational change to the way medical facilities are planned, managed and maintained.

Our services cover each step of the equipment lifecycle, from initial assessment of clinical need through to remarketing equipment at the end of its useful life.

Vendor-Independence

Our independence places Asteral in a unique position. We have the ability to procure in volumes that drive down costs, as well as the experience to manage large scale MES projects with multiple Original Equipment Manufacturer (OEM) inputs – including the largest standalone contract in Europe, worth over £140million. Our neutrality means we have no incentive to promote particular OEMs. This allows us to recommend the best clinical options for each Trust.

The Asteral Team

Asteral's specialist teams include clinical scientists, project managers, medical facility design-and-build professionals, medical equipment technicians, equipment maintenance experts and highly experienced NHS finance consultants; always drawing on the best available personnel from the NHS and private sectors.

Partnership Promise

Asteral's blend of independence and healthcare experience means that we are ideally positioned to work as a strategic partner to hospitals in the operation of a healthcare facility. We strive to ensure that clinical and financial objectives are met to deliver our shared goal of improving patient care.