INNOVATIVE DISRUPTION
Changes that will make a difference

HMi
Health Management Institute of Ireland
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Hospitals doing better

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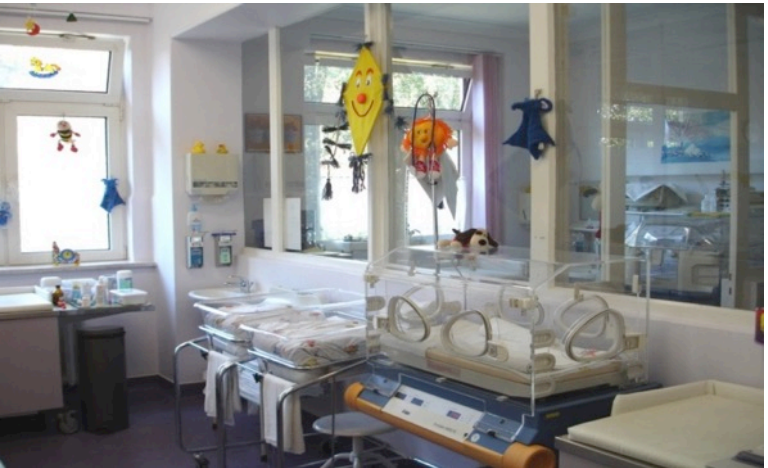
THE AMEOS GROUP 2017

- AMEOS operates healthcare facilities in German-speaking Europe
- One of the biggest private hospital operators in DACH region
- AMEOS is shareholder of Qualitätskliniken.de
- Biggest hospital operator in the states of Schleswig-Holstein and Saxony-Anhalt as well as in most AMEOS regions
- Biggest operator of psychiatric hospitals in German-speaking Europe



no. of facilities	77
no. of sites	41
no. of employees	app. 13 000
Hospitals and Clinics	53
Elderly and Mental Care	24

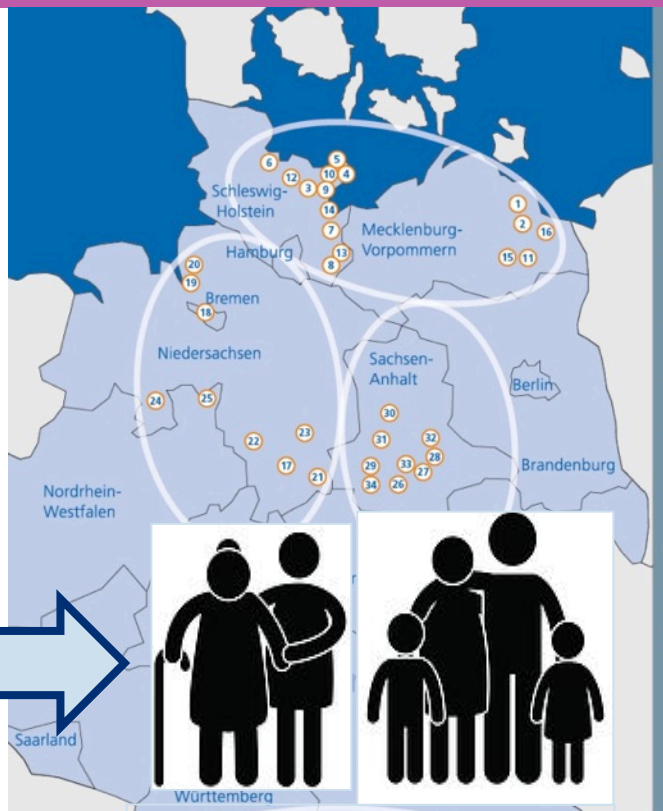
AMEOS operates

Hospitals

Long-term Elderly Care

Long-term Mental Care

on behalf of the state



for all members of society

AMEOS Nord
1. Anklam
2. Ducherow
3. Eutin
4. Grömitz
5. Heiligenhafen
6. Kiel
7. Lübeck
8. Mölln
9. Neustadt
10. Oldenburg
11. Pasewalk
12. Preetz
13. Ratzeburg
14. Sierksdorf
15. Strasburg
16. Ueckermünde

AMEOS West
17. Alfeld
18. Bremen
19. Bremerhaven
20. Geestland
21. Goslar
22. Hameln
23. Hildesheim
24. Osnabrück
25. Petershagen

AMEOS Ost
26. Aschersleben
27. Bernburg
28. Calbe
29. Halberstadt
30. Haldensleben
31. Oschersleben
32. Schönebeck
33. Staßfurt
34. Thale

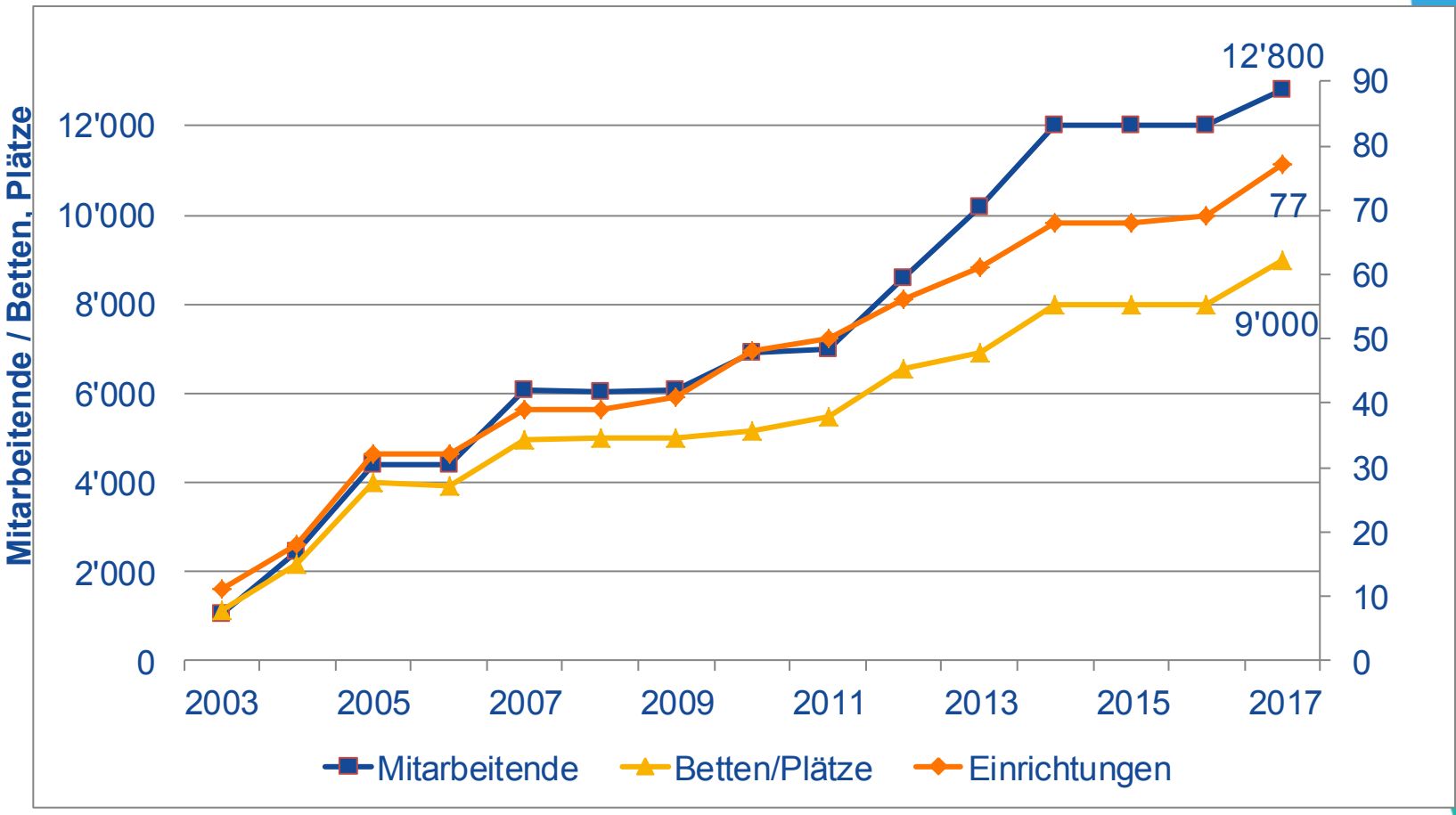
AMEOS Süd
35. Bad Aussee
36. Vogtsburg
37. Meßstetten
38. Simbach am Inn
39. Stetten
40. Winterlingen
41. Brunnen

Zürich

AMEOS IS GROWING …

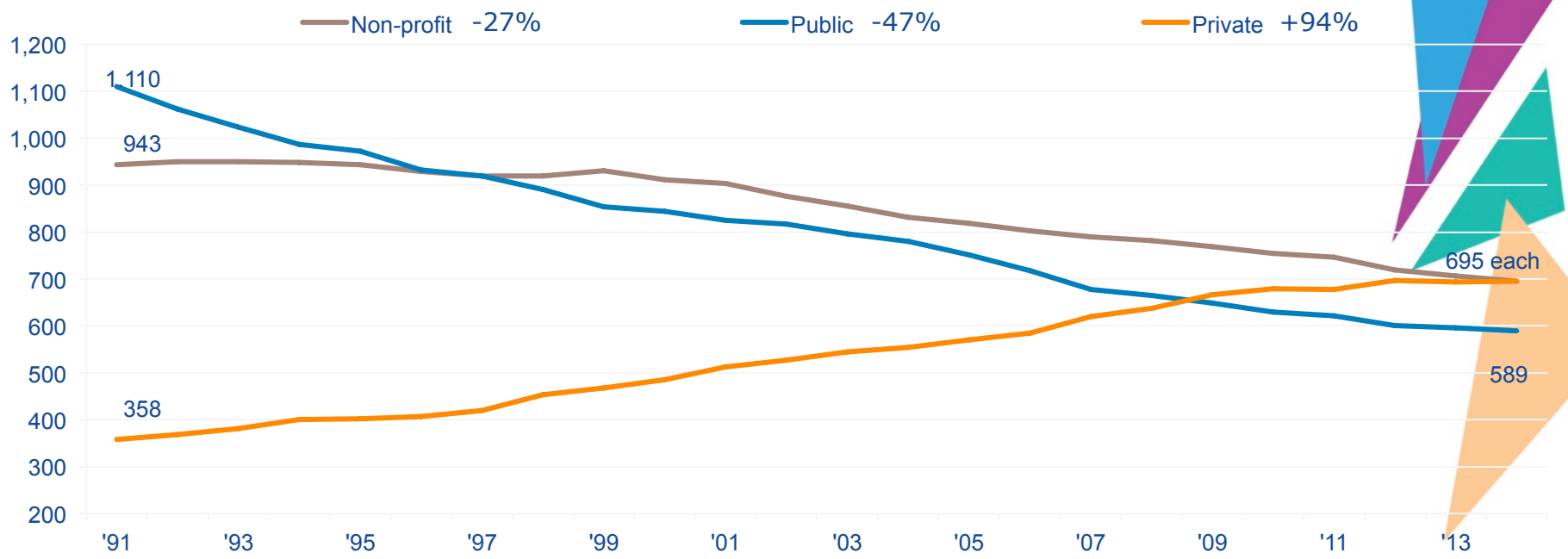
According to the magazine “Gesundheitswirtschaft” AMEOS – with 33% p.a. - has been the strongest growing health care company in the recent years

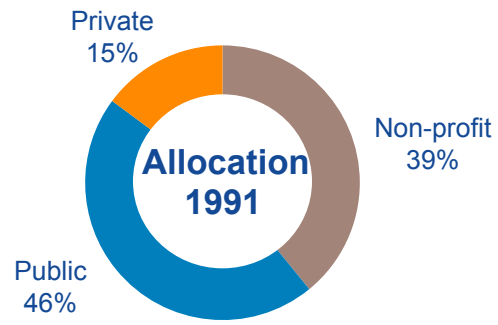
Development of the AMEOS Group 2003 - 2017

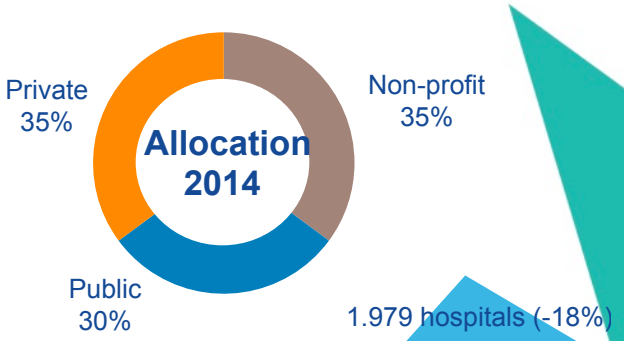


- Kontinuierliches Wachstum
- AMEOS ist Globalanbieter

Ownership structure of hospitals has shifted considerably towards private







Source: Destatis Germany

Why AMEOS? General Facts as to Ownership

- All ownership models are legitimate and equal.
- All ownership models may be successful.
- Desirable is a pluralistic mix out of differing models of ownership.

Special Facts as to Ownership

- When comparing different models of ownership the question is key how to deliver the highest possible benefit to the patient and the institutions taking care of them.
- In public ownership role conflicts are dangerous between ownership of the operations and the payer's role. Consequence is frequently much too low personnel staffing. Additionally the state is planning agency and control authority.

Structural Advantage of Private Ownership

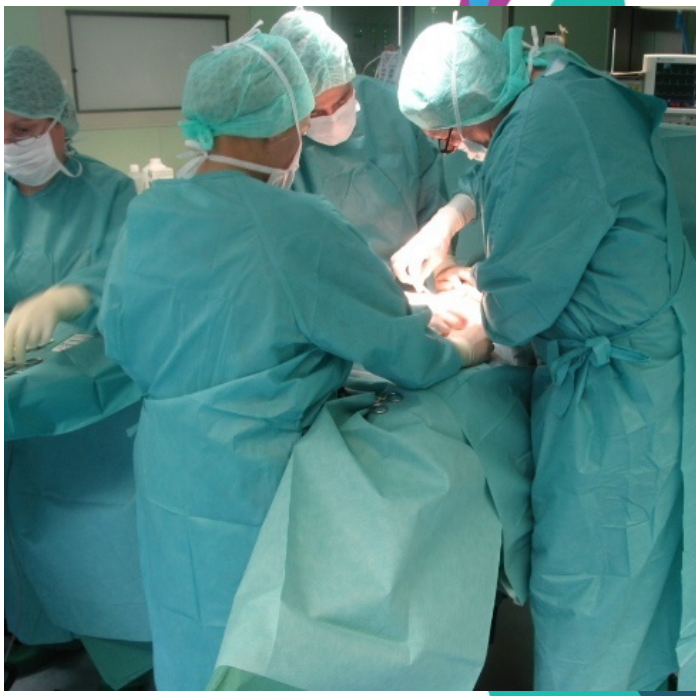
- In practice it is proven that public ownership is disadvantaged as compared with private ownership in terms of the “frame conditions”.
- In private ownership, stimuli enhancing the achievement of set targets of a hospital can be implemented more easily and more consequently. Especially publicly-owned hospitals, being under strong political influence, are disadvantaged.

Advantage of Public Ownership: Debt Compensation

- At the same time public ownership has the advantage that losses can be compensated via getting into additional debt of the public authorities: “Der Steuerzahler wird’s schon richten!“
- However, private carriers including non-profit carriers must internally get away with challenges like e.g. salary increases for physicians or decreasing state resources for investments.

Fundamental Grounds for Hospital Privatization

- There is more deficit spending of public authorities to cover the deficits of publicly owned hospitals than ever before.
- There is a huge backlog of capital expenditure (investments) in publicly owned hospitals.



Reasons for Privatizations

- Hospitals are usually not privatized just because politicians realize AMEOS does run hospitals more successfully.
- Hospitals are usually sold because public budgets are in a terrible state and politicians realize they do not get along with running their hospital.
- Before the financial crisis of 2008 public budgets were in moderately good shape; not so after the crisis; but then banks were nationalized, so for politicians it was still difficult to privatize hospitals.

What makes AMEOS unique in the Hospital Market?

- Broad and comprehensive medical offering – acute somatic, acute psychiatric, elderly and mental care homes
- Well established and highly efficient regional management organization
- Regional organization with currently 68 facilities providing state-of-the-art medical services for the population locally
- Highly competent and experienced in turning around loss making facilities
- Balanced focus on cost-cutting, productivity and organic growth opportunities for all facilities
- Solid financing structure provides basis to realize investment opportunities quickly

General Time Line of Significant Improvements at AMEOS

- Reduction of material costs up to app. 8% by ways and structures of purchasing, whilst buying same products, is a regular quick win.
- Increasing revenues by new offerings and additional business lines is second on the time line.
- Reducing personnel costs by improving processes and by more adequate task sharing at work is the last effect achieved, because sophisticated projects are needed.

Typical Turnaround Case

AMEOS Hospitals Salzland (State of Saxony-Anhalt, FR Germany)

2011	- 51.448 TEUR
2012	- 16.418 TEUR
2013	- 17.952 TEUR
2014	- 6.474 TEUR
2015	- 5.645 TEUR

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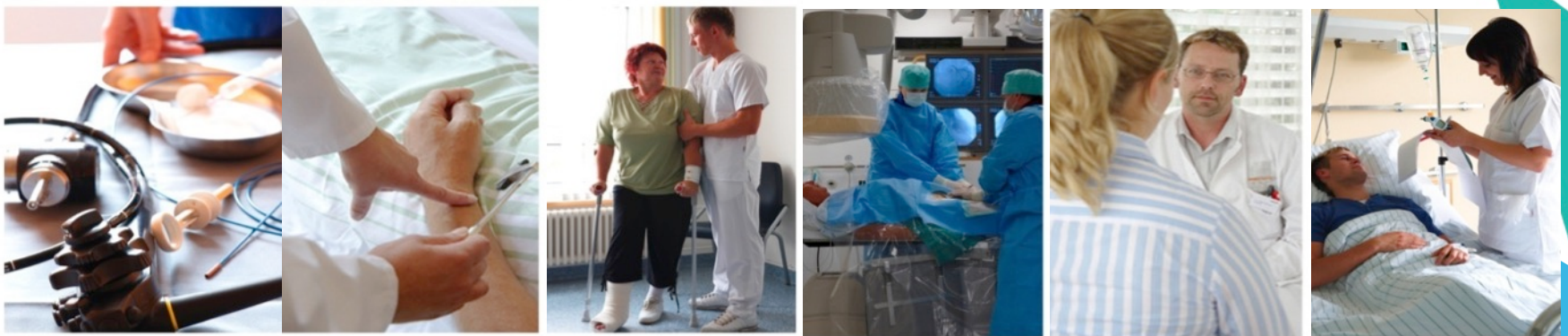
The Material Cost Problem is at its Core a Management Problem

- Purchasing directors in public administration commonly lack a clear stimulus for cost saving
- Instead they often work with known salespeople, not using advantages of a transparent market e.g. via the internet



AMEOS secures Revenues on two Tracks

„Track 2“:

Specializations built on top of Basic Care

- Intensive Care
- Diabetology
- Caridiology
- Gastroenterology
- Minimal-Invasive Surgery
- Thyroid Surgery
- Neurology
- Child Psychiatry
- Day Clinics for Psychiatry

„Track 1“:

Basic Care as the Basis

Encompassing medical and nursing services within the frame of Basic Care

Two Approaches to improve Distribution of Clinical Work Load

- Implementation of multi-level nursing concepts
  to improve job profiles of nurses
- Implementation of clinical pathways to improve job profiles of physicians

CARDIAC INSUFFICIENCY PATHWAY: 'QUICK-CHECK' TABLE = ROUTINE PATHWAY

Day 1	Day 2	Day 3
1. H & P		
2. PrevMedRec: Echo, Muga, CXR, EKG	2. PrevMedRec: still available	
3. Telemetry	3. Discuss D/C Telemetry	
4. CXR		4. CXR
5. EKG		5. EKG
6. Echo		
7. ABG or Pulse Oxim.		7. ABG or Pulse Oxim.
8. Chemistries	8. Drug Levels	8. Chemistries
9. CBC		
10. Cardiac Enzymes Q8	10. Cardiac Enzymes	
11. Thyroid Studies		
12. Nursing Assessment		12. Disc Progress
13. Vital Signs, I&O		
14. Cardiac Drugs		14. - 16. D/C Med
15. Diuretics		
16. Anticoagulant	16. Anticoagulant	
17. Oxygen	17. Discuss O_2	
18. Bed Rest	18. Activity	18. Amb.
19. Diet	19. Discuss Diet	
20. Disc SW, HH, FS c Dr	20. SW Intervention	20. Disc D/C
		21. Holter
		22. Echo/consult
		23. Muga
		24. Cardiac Cons. if non-resp.

Thanks for Listening!

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