



Singapore Healthcare
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The Innovative Financial Leasing Model using Extracorporeal Shockwave Therapy (ESWT) for Erectile Dysfunction (ED) patients

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INTRODUCTION

SGH Urology has been at the forefront for treating all urological conditions including oncology, transplant, stone and men’s health. While there are certain treatments that provided temporary relief for men with Erectile Dysfunction (ED) linked to vascular causes, Extracorporeal Shock Wave Therapy (ESWT) is defined as a new, promising, safe and effective approach in treatment of ED.



Considering its effectiveness for ED patients, the department was very eager to start the service immediately. In order to start this service promptly, the purchase of a new machine during budget cycle had to be reconsidered. Experts from the medical, operations, finance and procurement teams were brought together to discuss the feasibility of the project.

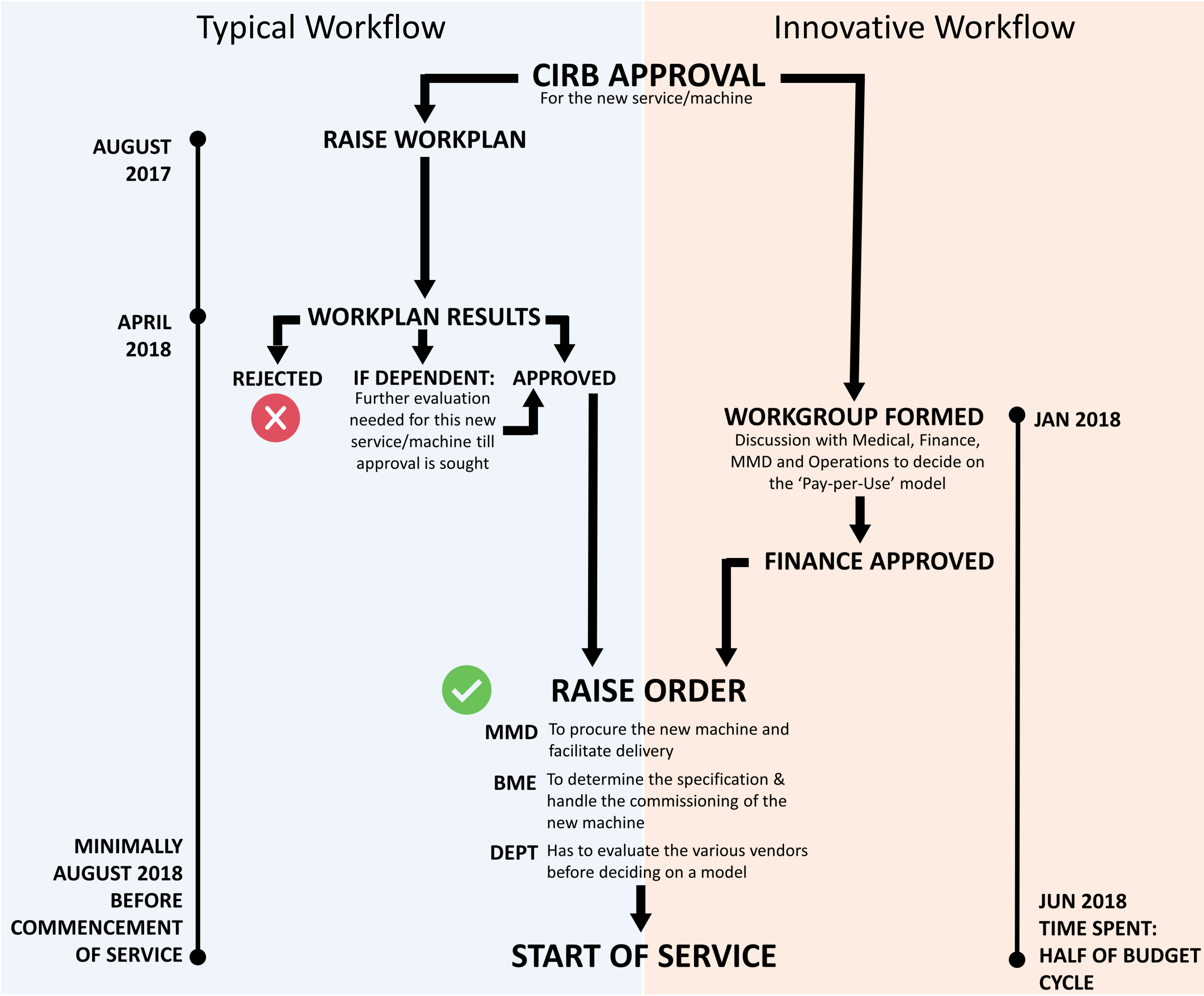
OBJECTIVE

To set up a new treatment option for ED patients within half the time of a typical budget cycle

METHODOLOGY

Typical workflow to start a new service or purchase new medical equipment will require about 1 year from the time Centralised Institutional Review Board (CIRB) approval is sought to workplan submission to announcement of results to procurement and implementation.

If you miss a budget cycle, you will have to wait for the next cycle.



The ‘Pay-per-Use’ model was eventually chosen as it saves time, meeting the objective.

SGH will be charged by vendor based on the usage of the machine while vendor bears the other costs (machine, installation and maintenance). Patients are charged package price for 6 sessions of ESWT, aligned to the cost of service in the other restructured hospitals in Singapore.

The planning for ESWT service started in January 2018 and by June 2018, the service started at SGH Urology Centre, 6 months ahead of projected timeline.

RESULTS



Improved patient experience and outcome

- More patients could be treated earlier as opposed to conventional budget cycle
- Based on the questionnaire done with all patients after the completion of the treatment, 100% of them reported improvement in erectile function



Savings and Revenues to organisation

- Considering that service is new with unpredictable workload, this model does not incur unnecessary cost to department and organisation
 - Contract scheme gives organisation flexibility to trial new equipment
 - High profit margin of at least 200% per patient
- For e.g: Patient pays a package price = \$1600 for 6 sessions
Leasing cost to vendor per patient = \$80x6 = \$480



Shorter timeline for implementation

- ‘Pay-per-Use’ model can be implemented 50% faster than budget cycle
- 12 months for typical workflow as compared to 6 months for ‘Pay-per-Use’



Statistical data for future use

- Gives confidence to management for future budget plans should the department decide to purchase the machine once patient load has stabilized.

CONCLUSION

‘Pay-per-Use’ business model allows users to trial new equipment especially in the healthcare industry whereby a simple medical equipment will minimally cost \$10,000. It is a good option for departments or hospitals who are keen to obtain new medical equipment for new services in a short timeframe. With the collaboration of the team, it showed that administrators can also directly help to better patient care and clinical outcome. This innovative financial model can be expanded and used for other services as well.

In the long run, with stable patient load, it is worthwhile to consider the cost effectiveness of purchasing the machine. As the machine is multifunctional, many other related conditions can benefit from it as well.