

# Healthcare Finance

Delivering change through innovation





#### The NHS

Over the last 10 years, extra spending on new programmes and the desire to build a patient led service has put the NHS under a number of cost pressures such as staffing, prescribing and Private Finance Initiative (PFI) schemes.

In addition, structural reforms such as Payment by Results (PbR), have placed immense pressure on the NHS to invest in new technology to increase efficiencies and reduce diagnostic and treatment times. Yet the capital available to make such investments is being stretched year on year.

Siemens is ideally placed to help the NHS maintain the crucial balance between cost-effectiveness and operational efficiency, in order to generate provable and immediate returns.

Its one of the reasons why we're currently working with more than 50% of NHS Trusts, helping them address these challenges through the innovative use of leasing and asset finance.

#### Private Healthcare

Siemens has supported the needs of the private healthcare sector for many years, offering finance to private hospitals, care homes, health centres, medical professionals and the recently formed Independent Sector Treatment Centres (ISTC's). In addition, Siemens also support other healthcare service providers including dentists, veterinary practitioners, and opticians.

Tying up capital is rarely in the best interests of business. Our finance solutions enable the private sector to acquire the best equipment on the market with the opportunity to upgrade at regular intervals, whilst protecting capital and improving cash flow.



“Asset finance enables us to acquire the kit we need without hindering or constraining our financial flexibility”

Christian Ellison, UK MD of Ascent Health

#### Operating leases for the NHS

An operating lease allows the immediate acquisition of equipment with rentals paid from the revenue budget, leaving the Trusts to invest their capital in front line services. The rentals are calculated on less than 90% of the cash price of the equipment and will often provide better value for money than an outright capital purchase.

The benefits of owning equipment no longer exist. Advancements in technology mean that replacement cycles have become much shorter and it is financially inefficient to have a rapidly depreciating asset on the balance sheet. Operating leases provide off-balance sheet funding while spreading the costs over the expected useful life of equipment, freeing up capital for expenditure in other areas.

An operating lease also protects against equipment obsolescence as it can be returned at the end of the lease transferring all residual value risk to Siemens.

#### Managed Service Agreement

We understand that healthcare innovation is not just about new technology and equipment; many other variables can come into play. In addition to the leasing of equipment we can also offer a bespoke finance solution that allows you to include operational costs such as service, maintenance, consumables and even staff.

Our Managed Service Agreement enables the NHS to fund a contract from its revenue budget and in some cases the VAT on rentals may be recovered. What's more we can even provide finance on a cost-per-patient basis, so the return on your investment can be measured precisely.

#### Lease Purchase

In some cases it may be beneficial for you to own the equipment at the end of the lease. Lease purchase gives you the option to acquire title to the equipment on payment of an option to purchase fee.

#### Lease Rental

At the end of the lease you would be required to return the equipment to Siemens. However, we can arrange to extend the lease for affordable secondary rentals should you wish to continue using the asset and it is still fit for purpose.

#### Sale and Lease Back

Siemens doesn't just get involved at the point of sale. If you have already purchased your equipment you can still realise the value of these assets into cash by selling them to and leasing them back from Siemens. By doing so, you can benefit from being able to upgrade to new technology during the course of or at the end of the lease.

“The pace of change with radiology equipment is phenomenal – four times faster than ten years ago and continuing to accelerate. In this regard outright purchase makes no sense. Acquiring medical equipment on some sort of finance structure delivers fixed costs, guaranteed availability, and properly planned replacement.”

Tom Devine, Buying Manager at Bedford NHS Trust



“Leasing can often be better value than buying from capital funds. We don’t have depreciating assets on our balance sheet, so they are not subject to the external financing limit and do not attract capital charges.”

Clive Mosby, Head of Procurement at Mid-Cheshire NHS Trust

#### Breadth of expertise

Our specialist healthcare team has a combined experience of over 45 years working closely with the NHS, private healthcare sector and equipment suppliers. With a firm understanding of how the procurement process specifically relates to you, we can manage your leasing arrangement through the often-complex procedures and issues raised with the minimum of disruption. Not only do we have years of experience in rolling out national programmes and financing expenditure for major PFI contracts, we are experts at working within government reforms such as PbR and framework agreements like Procure 21 and LIFT.

Siemens will work with you hand-in-hand to make sure you have the right financial products for the equipment you are acquiring, ensuring real value for money. We understand the unique culture of the healthcare market and the pressures under which you work. That’s why we treat each customer and finance proposal with the same care and attention to detail, irrespective of the size of the financial transaction.

#### Equipment financed

- Anaesthetic monitoring
- Beds
- Cosmetic lasers
- CT
- Defibrillators
- Densitometers
- Dialysis
- Diathermy
- ECG monitoring/EEG monitoring
- Endoscopy
- Film systems (PACs compatible)
- Incubators
- Infusion pumps
- Instrument sets
- IT systems
- Linear accelerators
- Lithotripters
- Modular buildings
- Monitoring
- MRI
- Nuclear medicine
- Operating microscopes
- Operating tables
- Operating/theatre lights
- Ophthalmic analysers
- Ophthalmic cameras/microscopes
- Ophthalmic lasers
- PACS systems
- Pathology analysers
- PET
- Pressurised mattresses
- Respirators
- Simulators
- Slit lamps
- Spectrometry
- Sterilisers
- Surgical lasers
- Telecommunications systems
- Ultrasound
- Ventilators
- Washers/disinfectants
- X-ray



## The finance. The solution. The benefits.

Working with Siemens healthcare finance allows the NHS to take full advantage of all the benefits that leasing can offer:

- **Improved waiting list times**  
With available equipment patients can be treated more quickly.
- **Greater efficiencies**  
More efficient equipment creates a virtuous circle leading to more effective usage of the asset, better use of staff time and the opportunity for more patients to receive superior treatment, more quickly.
- **The latest equipment**  
Aged equipment is still a real problem within the NHS. Leasing helps you upgrade your equipment within a planned timeframe, as and when new technologies become available. Obsolete equipment really becomes a thing of the past.
- **Helps future planning**  
Leasing is all about understanding the requirements of today and planning for tomorrow. It helps you measure the effectiveness of your assets and control your budgets with greater accuracy than outright capital purchase.
- **Assists staff retention**  
By having access to the most advanced healthcare equipment, your staff can ensure their clinical skills and knowledge are right up to date. As a consequence, they remain motivated to perform their roles to the very best of their ability.
- **Avoids capital charges**  
Operating leases are exempt from charging. Lease rentals are paid from your revenue budget, leaving capital free for longer term projects such as building works.
- **Flexible payments**  
Payments can be structured as you require, so you can pay either quarterly or annually, in advance or arrears, and rentals can be stepped to meet increases in budget.
- **No risk to Trusts**  
Siemens healthcare finance takes the risk on any future value of the asset.

### How to reach us

To find out more about Siemens Financial Services call us direct on:

01753 434555

or visit:

[www.siemens.co.uk/healthcarefinance](http://www.siemens.co.uk/healthcarefinance)



### **About Siemens**

Siemens Financial Services is a leading provider of innovative finance solutions to UK businesses and public sector organisations. With more than 250,000 customers Siemens has arranged finance for 90 of the current FTSE 100 companies and more than 50% of NHS trusts and local authorities.

Active in a wide range of markets, Siemens provides solutions ranging from £1,000 to many millions for a diverse range of financing needs, including equipment and asset finance, treasury services and working capital finance. It is independently recognised as a business finance leader in a number of its core markets.

With offices throughout the UK, Siemens Financial Services has more than 260 employees and is headquartered in Stoke Poges, Buckinghamshire. Siemens global headquarters is in Munich, Germany.

Siemens Financial Services is a member of the Finance and Leasing Association.



This brochure provides only general information. Information is correct at the time it was printed and can change at any time without prior notice. The contents of this brochure do not represent an offer nor is a substitute for an individual consultation with Siemens.

Siemens Financial Services Ltd  
Sefton Park  
Bells Hill  
Stoke Poges  
Buckinghamshire  
SL2 4JS  
Tel: +44 (0) 1753 434555  
Fax: +44 (0) 1753 434499

[info.sfs@siemens.com](mailto:info.sfs@siemens.com)  
[www.siemens.co.uk/financialservices](http://www.siemens.co.uk/financialservices)