Flexible financing and robust product portfolios: How Medtronic & GE Healthcare are providing options for the ASC and OBL segment as it evolves

In collaboration with Medtronic and GE Healthcare

As patients continue to seek care outside the hospital setting, many physician groups, hospitals, and other developers are unsure whether to build an office-based lab (OBL), an ambulatory surgery center (ASC), or a hybrid facility to best support their patient population and their business. In addition, many existing OBLs are considering whether to transition to a hybrid model or a full-time ASC.

Becker’s Healthcare recently spoke with three healthcare industry experts about financing, equipment, ongoing support, and other key considerations related to development of OBLs, ASCs, and hybrid facilities:

- Craig Dickinson, National Sales Director, Interventional & ASC market leader, GE Healthcare
- Brian Hurley, Managing Director, GE Healthcare Financial Services (HFS)
- Adam C. King, Senior Director, ASC Strategy, Medtronic

Given today’s dynamic healthcare environment, planning for future flexibility is essential

In recent years, the volume of healthcare services delivered in the outpatient setting has increased. One key driver is rapidly changing state-level regulations. For example, last year Michigan voted to allow percutaneous coronary intervention procedures in ASCs, and Pennsylvania passed similar regulations this year1,2. On the OBL side, reimbursements have declined recently in some procedural areas, increasing the discussion about strategically converting to ASCs due to differentiated reimbursement.

This dynamic environment creates an opportunity for future case volumes, case types, and service lines. Therefore, it’s important for physicians and health systems to build flexibility into their OBL and ASC plans. Considerable thought must be given to procedural mix, equipment, financing, and operational needs.

In response, Medtronic and GE Healthcare have formed a collaboration focused on the unique needs of ASCs and OBLs. Under this alliance, customers can access robust product portfolios, financial solutions, and exceptional service. “With this collaboration, we are capable of tackling everything from a small individual practitioner to a large IDN that wants to enable an ASC or OBL strategy,” Mr. Dickinson said.

From a service line perspective, OBLs that are converting to a hybrid or full-time ASC have varied needs. An OBL could be primarily a vascular lab one day and implanting pacemakers the next. “Medtronic has the product portfolio that allows new and differentiated service lines to come into play,” Mr. King said. “We can help physicians and administrators pivot from an OBL to an ASC hybrid or a full conversion to an ASC.”

In terms of imaging equipment, mobile imaging systems could be better suited for strictly vascular work. If physicians want to perform more complex cases in an ASC, however, they may need a fixed imaging system. When organizations transition from a mobile C-arm to fixed lab equipment, the cost of capital also shifts. To convert from an OBL to an ASC, teams must be cognizant of their capital expense up front, but also be prepared to build in flexibility and growth.

In OBL and ASC development, the importance of capital financing can’t be underestimated

Depending on the scale and scope of OBL or ASC projects, physicians often face challenges in accessing capital. “A lot of upfront equity may be required,” Mr. Hurley said. “By financing equipment with GE Healthcare, we can defer upfront cash requirements, help teams align their revenue and expenses, and generate the desired return from an investment perspective. We can also structure deals to allow for a period of no payments, so groups can build their receivables, which can help with cash flow and working capital.”
Medtronic also provides flexible financial options through its Customer Choice Rebate Program. “Working closely with financing, we can structure a program that is tailored right in line with payments to minimize gaps and help customers smoothly ramp-up or transition,” said Mr. King.

As ASCs and OBLs mature and add more physicians, they may add more specialties and service lines. In these cases, GE Healthcare works closely with physicians to restructure financing to accommodate new equipment which will support business growth.

“We want to be a long-term collaborator,” Mr. Hurley said. “When organizations hit inflection points and want to change equipment, we work with them financially to restructure their arrangement. That’s one way we unlock value and help customers explore the art of what’s possible.”

**With Medtronic and GE Healthcare, ASC leaders can adjust for the future**

As more complex patients and procedures move over the next 5–7-year time horizon, the ability to plan and adjust will be an important part of a successful operation. “With our imaging platforms, artificial intelligence-enabled products and software capabilities, and collaboration with Medtronic, we can be ready for the changes that we are anticipating in the environment,” said Mr. Dickinson.

With patient outcomes as the primary concern for any site of service, the factors of payer dynamics, technological innovation, and provider/patient preference will continue to drive the shift to alternative sites of care for some service lines. “We want to ensure that we are providing the best options for our patients and provider partners as the environment evolves, and our collaboration with GE Healthcare and GE HFS allows us the opportunity to do so,” said Mr. King. “Thinking beyond the product allows us flexibility for the future.”

“With the Medtronic Customer Choice Rebate Program, there are options to streamline and simplify purchases, giving you choice in care delivery,” said Mr. King. “With GE Healthcare Financial Services, monthly equipment expenses can be kept in line with your budget, and now you have equipment that can help you deliver clinically for patients,” Mr. Hurley said.

**Conclusion**

With the support of GE Healthcare and Medtronic, the decision about whether to go down the path of OBL, ASC, or hybrid facility doesn’t have to be finalized on day one. “It’s a journey of future flexibility,” Mr. Dickinson said. “Being part of the team, we are there the whole time to help, so expansion can be more like an escalator than a big stair step.”

To learn more about new equipment as you build or expand an ASC or OBL, visit Medtronic at [Medtronic.com/customerchoicerebate](https://www.medicare.com/customerchoicerebate) or GE at [https://www.gehealthcare.com/specialties/outpatient-solutions](https://www.gehealthcare.com/specialties/outpatient-solutions).

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