

KENYA MES FACT SHEET

INTRODUCTION

In 2015, the Kenyan government selected GE Healthcare as one of its main partners to deliver a seven-year Managed Equipment Services Partnership (MES). As one of the largest transformations of its kind to date in Africa, Kenya's MES approach was designed to provide access to the latest medical technologies, services and skills development to 98 MoH hospitals across Kenya's 47 counties.

The model allows Kenya to sustainably budget healthcare expenditure over several years by deferring upfront capital outlays. This will help ensure that health budgets remain nimble and that the MoH can continue to allocate critical funds towards the most pressing health challenges while at the same time, lifting its entire healthcare system.

GE was awarded one of the seven MES tranches for delivery of radiology modernization and has executed a 4-pillar solution that includes:

- An adapted technology approach: GE installed 585 units of diagnostic imaging equipment and ultrasound systems including healthcare IT capabilities;
- A \$13 million investment from GE in **localized skills development** through the Skills and Training Institute that will offer clinical applications, technical, leadership, biomed and clinical education courses.
- A 7-year agreement for the supply, installation and maintenance of the equipment; and

585 units of diagnostics imaging equipment

\$13 million investment by GE in localized skills development

 A structured financing solution enabling the MoH to sustainably fund its long-term transformation program



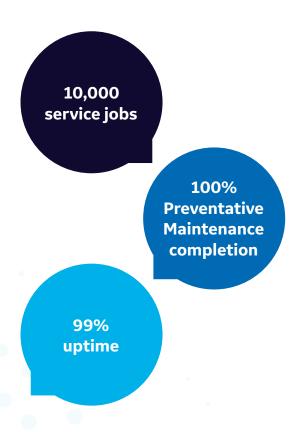
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EQUIPMENT DELIVERY

GE has installed 585 diagnostic equipment units and ultrasound systems in 98 hospitals across Kenya's 47 counties, leading to steady increase in access and utilization of radiology services across the country.

EQUIPMENT MAINTENANCE

The GE Service team has full-service delivery capabilities with dedicated employees for the MES project and a Service Call Centre to ensure a quick turnaround to customer calls. The team has completed over 10,000 service jobs with 100% Preventative Maintenance completion at any given time since June 2015, with over 99% uptime compared to contractual obligation of 90% and 95%.





TRAINING

In June 2016, GE Healthcare launched a \$13million Healthcare Skills and Training Institute in Kenya to provide education for healthcare professionals as a demonstration of our commitment to healthcare in Kenya. Under the MES, GEHC's agreement with the government is to train biomedical engineers and other healthcare workers to handle the equipment, in support of capacity building, as a priority for sustainable development of the healthcare sector in Kenya. To date, over 1400 professionals have been trained.

IMPACT

We conducted an impact assessment study in 2018, which showed the program had achieved the following:

- √ 40% reduction in the costs of scans, increasing affordability
 of specialized health care services in the counties.
- ✓ 25% reduction in patient referrals due to local access to radiology services.
- ✓ Patient waiting times have reduced significantly as these services which were previously only available in the national hospital are now available in each county.
- √ 80% reduction in repeat scans due to increased accuracy in diagnosis resulting in increased patient safety.



WHAT IS INCLUDED IN THE MES CONTRACT PRICE?

| MES Contract | Traditional Equipment Lease | Outright Purchase |
|---|---|---|
| Includes: Site surveys to evaluate specific needs of each hospital Refurbishment and/or build as needed radiology rooms, reception and waiting areas Radiology equipment Manufacture, shipment and delivery of equipment Installation and Commissioning Training of staff (including refresher courses & transportation of all trainees) Ongoing training & education to MOH staff Preventative maintenance Uptime guarantee for all machines (i.e. call centre, engineers, parts) Insurance Cost of Financing & associated legal, political risk coverage Avoids upfront capital expenditure payment. i.e. payment over time Contractor arranges financing Contractor responsible for importation, staging, construction i.e. turn key solution Contractor obligation is to provide services & ensures machines in working order as opposed to just provision of equipment | Includes: Radiology Equipment only Initial training only (not recurring/refreshes) Installation Cost of financing | Includes: Radiology Equipment only Initial training only (not recurring/refreshes) Installation |
| Consumables (Not manufactured by GE) Water & Electricity to Hospital Healthcare IT & hospital networking Provision of staff | MES components Preventative maintenance, service uptime guarantees separate service agreement to be negotiated Consumables (Not manufactured by GE) Water & Electricity to Hospital Healthcare IT & hospital networking Provision of staff | MES components Preventative maintenance, service uptime guarantees separate service agreement to be negotiated Consumables (Not manufactured by GE) Water & Electricity to Hospital Healthcare IT & hospital networking Provision of staff |
| Payments Flat quarterly charges for all components | Payments Rental payments over the duration of the lease | Payments One off large capital expenditure payment for equipment MOH needs to contract separately for civil works and service |