

# SHARED SERVICES PARTNERSHIP





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**PROFESSIONALS**  
CARING FOR  
PROFESSIONALS

# A SNAPSHOT OF HEALTHCARE IN THE UAE

## THE PERFECT STORM

The Healthcare Network is an innovative shared services provider that offers small to medium independent, entrepreneurial healthcare operators a lifeline in an over supplied market place that has become increasingly difficult to survive.

Indeed, it is not unusual to see clinics or individual Doctors working at just 30 - 40% capacity, struggling to maintain a viable, quality assured practice.

The impact of insurers agreeing capitation schemes with the big networks combined with vast and expensive healthcare reforms that are being swiftly introduced across the UAE have made the business of healthcare for smaller independent clinics, incredibly challenging.

Insurers have found themselves fragmented and damaged by low premium levels, too much competition, abuse and fraud in the system which have forced them to refuse price adjustments and de-list some independent clinics.

Over 2,500 clinical providers within Dubai alone

60 Health Insurance Companies frequently encountering loss ratios greater than 100%

With mandatory health insurance set at low tariffs, this increases the pressure on employers to contain healthcare costs, often at the expense of quality assured care. DRG coding or value based healthcare models will inevitably replace CPT coding and with hospital grading systems being introduced, this immense pressure on smaller, independent operators often leads to disastrous consequences.

Innovation in healthcare technology with the introduction of telemedicine has left some traditional healthcare practitioners out in the cold and this combined with the removal of 'traditional' incentive fees, leaves the healthcare landscape across the UAE almost unrecognisable in just a few short years.

## THIS PERFECT STORM IS FORCING SMALLER CLINIC GROUPS AND INDEPENDENT PRACTITIONERS TO CLOSE

With some hoping to sell but for much lower prices than valuations may indicate. Indeed, smaller clinic groups today will struggle to get a 5x multiple of their profit/EBITDA at retirement when only a few short years ago, it was at least 7 - 10x multiple.

If you add to this increasing regulation, international standard coding requirements,

poorer purchasing terms due to lack of scale and a deliberate move for larger groups such as NMC, Mediclinic, Aster and Prime to consolidate.

**What can the independent, entrepreneurial clinic do to survive?**





# THE HEALTHCARE NETWORK

## THE SOLUTION

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The Healthcare Network (THN) has been established by one of the most experienced healthcare leadership teams in the UAE who understand the dilemma faced by many independent operators. To counter-balance the immense pressure independent clinics are now facing, the Healthcare Network offers an innovative lifeline through their shared services partnership scheme.

Bringing together a network of select, like-minded independent healthcare providers all under one umbrella, the Healthcare Network aims to consolidate and eventually re-brand this new, entire network into one large sustainable group within three years.

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THIS NETWORK WILL BENEFIT FROM AN  
EXPERTISE-LEAD, STANDARDISED SERVICES  
MODEL EXITING THE HEALTHCARE MARKET AS  
ONE SINGLE BRANDED HEALTHCARE GROUP.

# A PHASED APPROACH FOR GROWTH, SUSTAINABILITY AND SUCCESS

All healthcare providers in the THN network will benefit from an expertise-lead, standardised services model in three phases:

1

- Improved negotiation power with insurers for better terms and conditions
- Working closely with insurers and employers to refer patients directly into the THN network exclusively
- Strategic leadership with support in accessing developmental capital
- Streamline accounting, purchasing, HR, contract and licensing systems with the benefit of scale
- Medical quality control and audit management
- The introduction of revenue cycle management systems to help clinics suffering with too high a claim rejection ratio

2

The Healthcare Network will introduce a Managed Care program to build a network of 'ethical' providers focused on quality healthcare with the most efficient delivery model where the payment of referral fees and abuse of branded medications are replaced by higher volumes of patients.

3

The Healthcare Network will then work with the entire partnership network to re-brand as one united group and introduce a common IT (HIS Hospital Information System) and then advance the 'united' Healthcare Network Group to market, to go through a managed exit at an estimated 7 -10 x multiple and truly become one group. There may also be opportunities for partial exits at this stage.

THN will create every opportunity for Private Equity backers to realise an arbitrage opportunity to buy a whole group and immediately list on the London market as a premium GCC Medical Group.

OUR AIM IS THAT WITHIN FIVE  
YEARS, THE HEALTHCARE  
NETWORK WILL BECOME THE  
LARGEST INTEGRATED NETWORK  
ACROSS THE GCC THAT WILL  
GUARANTEE A SUSTAINABLE,  
SUCCESSFUL FUTURE FOR OUR  
PARTNER CLINICS.

# THE PARTNERSHIP A JOURNEY TO SUCCESS

The Healthcare Network will work diligently with its valued partners to assist in driving efficiency in areas of

- ACCOUNTING
- FINANCE
- PROCUREMENT
- REVENUE CYCLE MANAGEMENT
- HR PROCESSES
- CONTRACTS
- INSURER RELATIONSHIPS
- MEDICAL OPERATIONS AND QUALITY

As well as this, The Healthcare Network shall mentor and support existing clinic teams to prepare for life as part of a larger, integrated group.

By helping clinic owners to prepare for a high value exit, we will help our partners on the basic principles of selling a business and maximizing its profitability. We will ensure that by adapting existing practices to match those of a larger and more corporate organization, that more value is retained by the original entrepreneur.

By also 'selling' 50 partners as part of an ongoing business at the same time, The Healthcare Network will maximize value as a larger group and will create every opportunity for Private Equity backers to realise an arbitrage opportunity to buy a whole group and immediately list on the London market as a premium GCC Medical Group, creating every opportunity for them to realise.

## THE PROCESS

To maximize the value of The Healthcare Network group, it is important that we can demonstrate that all of our individual parts create the potential of a high performing whole.

By transitioning to the same financial reporting structure, the same auditors, the same procurement process, the same contracts and incentive schemes for doctors and staff, we can show that a unified business can quickly become a substantive and high performing integrated business upon acquisition.

During the process of building conformity, we will also work with all leading insurers to endeavour the renegotiation of existing rates and to move forward to our own preferred provider network.

## MANAGED CARE

**INSURERS IN THE UAE ARE UNDER IMMENSE PRESSURE, WITH LOSS RATIOS FREQUENTLY EXCEEDING 100% AND COMBINED RATIOS CAN BE OVER 125%.**

The Healthcare Network aims to become the preferred provider for all insurers by asking our partners to use generic medications and to refuse incentive fees for introduced patients in respect to diagnostic tests.

By allowing The Healthcare Network to directly contract with the largest employers and to refer their staff to the Healthcare Network group members, we are confident of driving incremental value to our partners without damaging their underlying existing value.

## GROUP SERVICE PROVIDERS

The Healthcare Network intends to build its own network of diagnostic centres and pharmacies to control the quality of clinical solutions for our patients and to be able to demonstrate the value of a combined network.

Where our partners have their own diagnostic centres or pharmacies, we would seek to establish group referral opportunities.

## CROSS REFERRAL

A key aspect of The Healthcare Network, is the ability to build a group referral directory for members to cross refer throughout the network.

This is not mandatory, but if supported, it will help to maintain value within the walls of our own partners' multiple clinics and facilities.

**By cutting out branded medications and diagnostic commissions, we believe we can bring insurers back to a break even position.**

# INNOVATION, INTENTION AND VALUES

The Healthcare Network was forged by one of the most experienced leadership teams within the UAE who have worked closely for many years with entrepreneurial healthcare professionals and brands. In order to create the perfect solution to the perfect storm, an intricate understanding of the business of healthcare is essential.

This, combined with a strong ethical values system ensures that our partners feel protected, trusting the expertise and efficiency of such a competent, internationally experienced team.

TRUST

INTEGRITY

TEAMWORK

RESPECT

EXPERTISE

INNOVATION

EMPOWERMENT



# CORE TEAM



**MARK ADAMS**  
EXECUTIVE CHAIRMAN

Mark Adams is an internationally renowned and respected authority in healthcare management with over 35 years of CEO experience in the UK, USA and throughout the GCC. Previously, Mark led the UK's leading dental business, Denplan as well as its parent company AXA PPP Healthcare, before successfully managing the South African owned Netcare UK and advising the Virgin Group on market entry healthcare strategies. In 2008, Mark relocated to the Middle East to lead a number of private equity backed clinics, hospitals and diagnostic groups before successfully founding award winning Anglo Arabian Healthcare in 2012. Mark returned to the UK in 2017 to lead a national health and social care charity, Community Integrated Care, one of Britain's biggest care providers that successfully supports thousands of people across England and Scotland who have learning disabilities, mental health concerns, autism and age-related needs, including dementia.



**ROBERT PATERSON**  
CHIEF OPERATING OFFICER

Having spent 21 years working with major companies including M&S, Rank Hovis, DHL and Kerzner International, Rob brings a wealth of international corporate management experience to The Healthcare Network team. Rob has held Senior Management positions for DHL in China and Eastern Europe for over 10 years and was Director of HR and Training for the Kerzner Group at the One and Only Hotels, Dubai. Rob has been based in the UAE for over 17 years and has run a successful Management Consulting company for the last 15 years.



**LISA EADIE**  
DIRECTOR - HUMAN RESOURCES

Lisa is an experienced Human Resources, Diversity and Inclusion as well as an Employee Wellbeing professional with over 24 years' experience working in large multi-national Insurance organisations within the GCC and a leading Healthcare Management Company in the UAE. Lisa brings an extensive knowledge and expertise in developing and driving HR strategy, organisational development, employee engagement plus implementation of change management programs.



**JULIE ADAMS**  
DIRECTOR - BRAND & MARKETING

Julie is an internationally experienced Healthcare Brand and Marketing Director with a proven ten-year track record in the UAE, most recently as a co-founder of Anglo Arabian Healthcare and founder of JUMA - Specialist Healthcare Brand and Marketing Agency. Julie specialises in creating healthcare Brands, Marketing Strategies, Creative Campaign Concept and Advertising, Web Development and Corporate Communication.



# CORE TEAM



**DR MOUSTAFA AREF**  
CHIEF MEDICAL OFFICER

Dr Moustafa has over 20 years of national and International exposure in the Healthcare industry at operational, strategic and executive management levels. He brings a solid hands-on experience in successfully managing and growing the profitability of clinics / hospitals through various methods, including enhancing patient experience, streamlining operations and improving quality standards. Dr Moustafa qualified in General Surgery at the University of Vienna, Austria and is an Associate Prof. of General Surgery . He also holds a Master's Degree in Hospital Management and an MBA -Healthcare from The London Business School.



**NICK CHAMPNESS**  
DIRECTOR - LABORATORIES

Nick is a qualified medical laboratory scientist and has over 30 years of international healthcare experience in both the private and the public sector. Past roles have included CEO of SEHA Pathology and Laboratory Medicine services, COO of Healthscope (Australian Division), CEO of Symbion Lavertry Pathology and COO of Barratt and Smith Pathology which is a division of Sonic Healthcare. Nick has also been a founder and Director of the Australian Diagnostics Group as well as COO of the Managed Care Program for Zenith Healthcare; a part of Anglo Arabian Healthcare before taking a role as Director of Diagnostics for VPS Healthcare, UAE.





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