Interview: Christoph Sauermann – Managing Director, Mediclass, Austria

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Christoph Sauermann, managing director of Mediclass, an innovative healthcare center, discusses how the complexities of the Austrian healthcare system can be solved through primary healthcare centers, such as Mediclass. Furthermore, he gives an overview of the diverse services Mediclass offers to individuals and employers, ensuring patients receive rapid access to high-quality medical care, as well as highlighting the future expansion plans for the company.

What was the reason behind founding Mediclass in 2012, after many years working in the pharmaceutical industry?

The merger with Pfizer and Wyeth made me rethink what I wanted to do in my professional life; either stay within pharmaceuticals or take a completely different path. My family at that time had problems booking appointments quickly with physicians, and after talking with friends and family, I noticed this was a normal trend within Austrian society. It then became crystal clear to me that I would do something to change this, rather than wait for reforms in the Austrian healthcare system; therefore, I founded Mediclass.

The key question was not so much what needs to be put in the center as it was obvious that we needed to house a group of specialists in a vast range of therapeutic areas. This in-turn gives the opportunity for physicians to exchange their opinions between themselves about patients; therefore, resulting in better diagnosis of patients and health outcomes.

The key step was to make Mediclass an attractive place to work for medical personnel. Normally, physicians pay rent to work at a site, with this amount dependent on the services provided, such as administration and IT. They are then responsible to source their own patients. At Mediclass, we do it the other way around. Our physicians pay nothing, an all-inclusive package for free, allowing them to focus 100 percent on the patient's requirements. We then are able to carefully select the best people for our business, and we make our money via our patient's annual membership fee.

Furthermore, we schedule all the appointments, for two reasons. Firstly, we ensure there is enough time for each patient to be looked at. Secondly, we allocate sufficient time per appointment so the following patients can begin their meeting on time. These important factors cover the two most important parts of efficient medical care: high quality and quick access.

How would you describe the healthcare niche that Mediclass sits in?

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We use the public healthcare system's reimbursement program via the social security e-card system, that ensures everything is covered – or – patients are also able to see a private doctor and be reimbursed 80 percent of the price that has been decided on by the reimbursement system.

For example, when a patient normally sees a private doctor they pay 150 USD per visit, but the reimbursed program is reimbursing back 80 percent on an appointment that the social security system has valued at 50 USD. Therefore, the patient is losing a lot of money as they are only reimbursed 80 percent of 50 USD. At Mediclass, due to the fact our physicians do not pay any overhead costs, they are able to reduce the amount they charge to the social security tariff, and quote the patient the normal 50 USD, hence we save our patients time and money.

Austria has a large abundance of hospitals. Why then are there such long waiting times for patients to see a physician?

Firstly, the entire healthcare system consists of far too many decision makers, due to the fact we have a split system; the social securities, which control the retail sector, and the hospitals which are controlled at a county level. This split in decision making and funding means both sides are pushing patients from one side to the other to save money and time.

Secondly, the system is very in-transparent, not allowing patient's information to be shared easily from one point to the next. At Mediclass, we have started to implement ELGA, the electronic health record portal. This allows us to have a single patient file, giving the opportunity for each physician to have a greater understanding of the overall condition of a patient, leading to better health

outcomes.

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Thirdly, the decision of where a patient wishes to be seen is under their control. They can decide if they wish to go to a hospital or a local practice, and are able to see as many specialists as they want. This increases the number of incorrect visits; for example, they may see four dermatologists, when they really should be seeing an oncologist. This is a waste of money and time for the entire healthcare system.

What can be done to make the system more efficient?

Recently a good incentive has started and is an important step forward in taking the load off hospitals: primary health centers, or better known as PHC. This gets patients out of hospitals, and keep space available for only the patient's that really need them the most. Furthermore, hospitals in Austria do not need to be fully equipped and cover each and every therapeutic area. We need to see more specialty hospitals for certain conditions, such as cardiovascular disease and oncology.

Mediclass acts as a primary healthcare center, but gives patients quicker access to specialists. Additionally, we offer our members the advantage of calling our team at all time; therefore, we are able to evaluate how much time we should allocate for a patient to a doctor and choose which specific specialist to visit. We find quick solutions for our patients to ensure they are always healthy and our operations are efficient.

The company has a bevy of services, including areas such as pilates and annual health checks. How important are prevention services in your operations?

Prevention treatment in Austria is not covered as well as it should be. Austrians are programmed to only visit a doctor when they are in pain. Mediclass invests a large amount into prevention by offering an annual health check to each member as well as these healthy living courses. This allows us to obtain a clear picture of where someone's health is, what is working, and where they have a risk of becoming ill. Avoiding problems is far easier than solving them.

Mediclass is looking to expand to other large Austrian cities, such as Graz and Linz, as your services gain recognition outside Vienna. How do you decide the next site to position the company?

We look at the waiting times for doctors, as this indicates in which location patients will be willing to pay a fee for quick access to medical care. Patients that want to have their medical problem

solved are more likely to consider changing their approach if they are unhappy with the current system. Saying that, we are looking to go to larger towns as there is a large enough population to fill our centers. Furthermore, our centers are extremely attractive to internationals, as our team speaks both German and English, and it will continue to be like this in the future.

Our members are not only personal members, but we partner with employers who offer Mediclass as part of their employment package. We currently have more than 230 employers that we work with. It is a win-win, we get their business, while in the meantime, we keep their staff healthy and offer an added employment benefit to make the company more attractive to potential employees.

Healthcare systems are a way of constructing a sustainable, long-term healthcare system. Do you feel this sector has been received well thus far?

Definitely! Anybody working throughout Austrian healthcare agrees that healthcare centers are a great solution to problems we are facing. It is very much about relieving stress on the entire healthcare ecosystem, and we are able to do this, despite the complexities that currently exist.

As we look forward, where do you see Mediclass in the next five years?

I am 100 percent certain that Mediclass will grow even faster than our first five years, as the problems that exist in Austria are only worsening. The more people that know about an alternative, like Mediclass, the more interest we will gain. Companies and individuals are seeing the added benefit we bring to their problems: Mediclass is a one-stop health center that provides rapid medical solutions.

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