

# PROGRESS REPORT 2015



**RHÖN-KLINIKUM**  
AKTIENGESELLSCHAFT

## ABOUT THIS REPORT

The present Progress Report 2015 supplies information of key strategic points and also the individual corporate divisions from the perspective of creating sustainable added value. Its content provides our stakeholders as well as all those taking an interest in our Company with an overview of the steps and measures taken to safeguard the future and sustainable corporate success of RHÖN-KLINIKUM AG. It is structured along the lines of a classic CSR report. We provide detailed information on the Company's economic development in our 2015 Annual Report.

As of the 2016 reporting period, this Progress Report will no longer be published separately but be imbedded in the Annual Report in the interests of integrated communication. Its publication early in the year will thus also ensure that the figures are significantly more up-to-date.

Unless otherwise stated, all facts and key figures given refer to the period of 1 January to 31 December 2015 and apply to all divisions. Reporting is oriented on the international G4 guidelines of the Global Reporting Initiative (GRI). The Report is published in both the German and English language.

For improved readability, we have avoided using both genders and have opted for the shorter, masculine form (e.g. masculine possessive pronoun "his"). Of course, the feminine form is also implied in such cases.

### RELEVANT GROUP KEY FIGURES FOR THE REPORTING PERIOD

2015	
Sites	At five sites we offer cutting-edge medical care with a direct link to universities and research facilities.
Top 5 key areas of treatment	Cardiological and coronary disease, neurological disorders, oncology, lung diseases as well as orthopedic and accident surgery
Number of employees	16,284
Number of apprentices	955
Beds and places	5,218
CO <sub>2</sub> emissions (Scopes 1 + 2)	69,340 t
Direct energy consumption (electrical load and heat consumption)	229,600 MWh
Energy generation (electricity)	39,300 MWh
Water consumption	706,257 m <sup>3</sup>
Waste	4,731 t



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*Klinikum Frankfurt (Oder)*

*RHÖN-KLINIKUM  
Campus Bad Neustadt*

*University Hospital Gießen and  
Marburg (UKGM), Gießen site*

*University Hospital Gießen and  
Marburg (UKGM), Marburg site*

*Zentralklinik Bad Berka*

Dear Sirs, Madams,

I am pleased to present you RHÖN-KLINIKUM AG's second Progress Report.

We provide our patients with affordable cutting-edge medical care to maximum care standards as well as excellent nursing services. To do this, we are continuously investing in state-of-the-art medical technology and the expansion of our facilities, in research and development projects, and not least in the high level of training of our staff. By the present Report, we wish to provide you with information on these activities and the progress made with them. At the same time, we are seeking to create greater transparency and to provide broader information for our patients.

What have we been able to achieve? Here are just a few examples: In 2015, in the context of our innovation and



*Dr. med. Dr. jur. Martin Siebert  
(Chairman of the Board of Management)*

funding pool, we devoted some four million euros in supporting numerous internal development and research projects. The Bad Neustadt Campus continues to take shape, with the first building sections already having been completed; this is being accompanied by an improved energy balance. Our new Marburg Ion Beam Therapy Centre (MIT) was able to start operations. Moreover, we are embracing the increasingly challenging requirements of digitalisation with numerous projects and initiatives.

By the present Report we would like to address our patients, our employees and business partners, but also investors and representatives from the political and scientific fields. The Report is largely oriented on the demanding Guidelines of the Global Reporting Initiative (GRI). In future, we will integrate the Report into our Annual Report, thus making all

data available even earlier. Of course, this Progress Report is once again an invitation to engage in a dialogue. We are looking forward to your numerous suggestions and constructive criticism.

RHÖN-KLINIKUM AG

A handwritten signature in blue ink, appearing to read 'M. Siebert'. The signature is fluid and cursive, with a large initial 'M' and a distinct 'S'.

Dr. med. Dr. jur. Martin Siebert  
Chairman of the Board of Management



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items of focus were funded in the first round of the funding pool: "Research and Innovation" as well as "Treatment Excellence and Network Medicine"

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2018

New Campus in Bad Neustadt to be completed

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materials management heads as a rule are responsible for a certain product group within the Group

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# CUTTING-EDGE MEDICAL CARE THROUGH SUSTAINED COMMITMENT

The focus of interest in our work is always on the well-being of our patients. We have an obligation towards them because their trust in our medical services is the basis of our success. That is why RHÖN-KLINIKUM AG offers high-quality and affordable medical care. For us, quality, cutting-edge medical care consists in the freedom in choosing medical treatment, ongoing investments in modern medical care as well as the further development of clinical processes and structures relating to our patients.

Our goal is to manage RHÖN-KLINIKUM AG responsibly and sustainably. When it comes to environmental protection, quality and human resources, our focus in this regard is on making sparing use of natural resources and protecting the environment, steadily promoting our quality management and medical excellence, as well as on promoting and retaining our staff.

To continue offering cutting-edge medicine tomorrow, we have to create the basis for that already today. Our chief strategic task when it comes to ensuring the sustainable development of our business model is on the one hand to make full use of our efficiency reserves, and on the other to develop new and better, i.e. innovative ways of delivering care to patients. Given this standard of sustainable added value, RHÖN-KLINIKUM AG from the very outset has understood itself as a key mover and driver of the healthcare industry.

## **GROWING COSTS – FEWER CONTRIBUTIONS**

Offering cutting-edge medical care for everyone and safeguarding it into the future are both a mandate and obligation for us. That said, we do face tremendous challenges: given demographic changes and the increasing rate of morbidity in old age, we expect rising demand for hospital services in the coming years. This demand will continue to rise since – fortunately – the range of medical skills and services being brought about by advances in treatment,

medical technology and pharmacology is broadening. But growing demand for healthcare services is set against the declining number of contribution payers under the statutory health insurance system. In actual fact, the rate of increase in statutorily influenced revenues has been outstripped by the rise in the costs of healthcare delivery for years. This trend is likely to continue in future as well. This will translate into increasingly scarce resources being available within the healthcare system. Within the context of this development we want to help ensure that the German healthcare system remains efficient and secure in future as well.

## **CREATING NEW CARE OFFERINGS**

Given the current organisation of patient care and advances in medical treatment, significant cost pressures in the healthcare system, particularly in the hospital sector, right now are calling into question sustainable medical care at a high level of quality. It is only if we succeed in developing





new and efficient care delivery offerings that it will still be possible to offer cutting-edge medical care to everyone in the future. When developing new offerings, we consistently question the treatment process – for example, beyond outpatient-inpatient sector boundaries – and employ new, even technological means for a more efficient and higher-quality treatment process.

RHÖN-KLINIKUM AG has been committed to innovation from the outset. With our well-known and oft-imitated “flow principle”, the organisation of the departments (intensive care, intermediate care, normal care and low care) can be adapted to the needs of patients throughout their individual treatment process. In that way we can give our patients the optimum care they need depending on their specific condition.

Today, in addition to optimising inpatient medical care and nursing, we are also developing the organisation of care delivery across the boundaries of sectoral treatment. To ensure the future viability of healthcare delivery in which every patient deserves to receive modern cutting-edge medical care, it is becoming increasingly important, already at the beginning of the treatment process, to place patients in the treatment situation that is optimum for them. Particularly outpatient and inpatient care will have to engage in better cooperation to this end.

#### **ACTING ECONOMICALLY – SECURING MEDICAL QUALITY**

For the well-being of our patients, we attach great importance to freedom in choosing medical treatment, are making ongoing investments in innovation as well as advances in medical care and medical technology, and are constantly looking at how we can improve our internal processes and structures. Our business model is based on the cutting-edge medical care offering of our hospitals, as well as on the acquisition and subsequent medical and economic integration of hospitals that complement and fit our portfolio.

But to achieve a high standard of quality in cutting-edge and maximum care, it is also necessary to generate sufficient funds for investment. High medical quality on the one hand and the efficiency of our facilities on the other in our view go hand in hand. Without an economically satisfactory business result we cannot ensure sustainable treatment quality for our patients to high standards. As a rule, it is only economic success that creates the basis for secure jobs and employment as well as the necessary funds for investing in building and equipment infrastructure. We are therefore convinced that providing for a sustainable offering of high-quality healthcare delivery is something that cannot be confined to medical aspects alone. For viable and innovative healthcare delivery, it is indispensable to take account of the economic

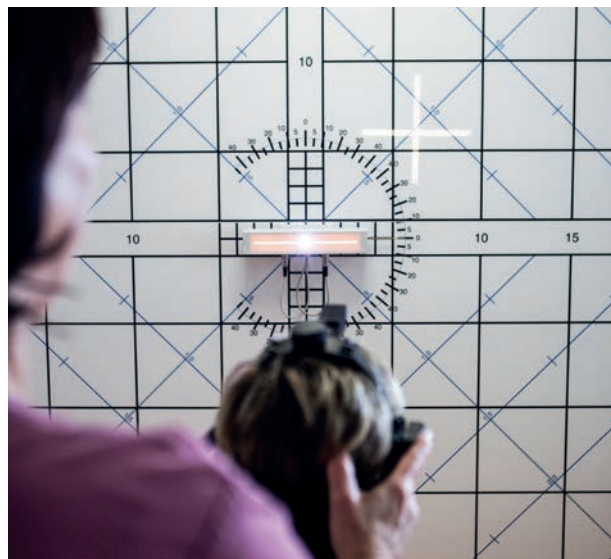


framework conditions and the focus on efficiency in treatment processes. We are convinced that meeting high quality standards and achieving economic success – above all over time and with a view to sustainable performance – are two things that are mutually dependent and go hand in hand.

#### **MEDICAL BOARD AND FUNDING POOL**

To develop innovative solutions in patient care, framework conditions are created in the Company that not only enable but also promote innovation. Top physicians from all hospital sites have been working together in our Medical Board since 2014. It has been entrusted the task of inspiring the medical strategy of our Company, implementing specific innovation projects and synchronising medical expertise with the Company's corporate objectives. The Medical Board moreover advises and assists both the Board of Management and the managements of our hospitals in assessing and specifically introducing medical innovations and new treatment procedures as well as installing complex medical equipment. It moreover supports the responsible persons in an advisory capacity when it comes to further developing our facilities.

Led by the Medical Board, RHÖN-KLINIKUM AG is pursuing the targeted expansion of its competitive position in the area of innovative treatment methods and cutting-edge medical care thanks to a significantly higher research budget. With a funding pool having a total volume of four million euros, we funded a total of 61 projects focusing on "Research and Innovation" as well as "Treatment Excellence and Network Medicine" in 2015.



This research and innovation programme covers various projects at all sites of our Company identified through a Group-wide competition.

#### **CAMPUS CONCEPT COMBINES INPATIENT AND OUTPATIENT CARE**

In order to improve healthcare delivery particularly in rural regions, all stakeholders have to cooperate actively with one another in the best possible way beyond sector boundaries. Rural regions are especially hard hit by the greying of the population and the accompanying rise in morbidity and treatment cases on the one hand and increasing shortage of doctors on the other.

RHÖN-KLINIKUM AG's response to this challenge is its campus approach that will combine numerous differentiated care offerings and services of different partners. Particularly inpatient and outpatient services are structurally, spatially and logistically integrated with one another on the premises of a high-performance hospital. In this way we offer, in the inpatient sector for example, a range of healthcare services as broad as possible; at the same time we create the possibility for community-based practitioners to work closely together with our facilities in terms of location, function and human resources. Patients are thus provided with an integrated and comprehensive offering on the healthcare campus comprising medical care and, prospectively, also services for assisted living and nursing offerings meeting the needs of the elderly.

Currently, Bad Neustadt is witnessing the creation of a "prototype" of the campus concept with the extensive new construction measures in the acute inpatient area. This concept and its realisation in Bad Neustadt are also to serve as



An important role in interdisciplinary and cross-sector networking and smooth communication across facilities is played by our web-based electronic patient file, or WebEPA+ in short. This proprietary development is already being used at some sites and contains everything that a traditional paper patient file also does: findings, X-ray images, lab results, previous therapies, blood type or chronic conditions. But WebEPA+ can do more than just gather information. It is rather designed to assist patients at all treatment stages and at the same time help prevent redundant examinations such as additional X-rays, as well as redundant prescriptions or even conflicts between newly and previously prescribed drugs. Moreover, all doctors in the treatment chain can inform themselves about special risks and intolerances from a single source.

The Marburg Ion Beam Therapy Centre (MIT) at Marburg University Hospital is the “poster child” of innovative cutting-edge medicine. Since October 2015 it has made a significant contribution to strengthening oncological treatment excellence at the Marburg site. With ion beam technology it is possible to use protons and carbon ions with high-energy acceleration and pinpoint accuracy against certain types of tumours. That means it is possible to irradiate hitherto inoperable and in some cases untreatable disease foci with practically no side effects. Here, too, the imaging data are transmitted using WebEPA+.

#### **DIALOGUING WITH OUR STAKEHOLDERS**

With our corporate governance we ensure ethically correct conduct within the Group. The rules make a significant contribution towards strengthening the trust that investors have placed in our Company, thus creating the basis for sustainable value enhancement of RHÖN-KLINIKUM AG. By corporate governance we understand responsible corporate governance and control – oriented towards creating long-term value and enhancing the Company’s value. Good corporate governance is the basis of the decision-making and control processes of the Supervisory Board and the Board of Management. Together with a transparent as well as legally and ethically based corporate culture, corporate governance is the prerequisite for preserving and strengthening the trust that patients, employees, shareholders and business partners place in us, and for securing and enhancing the added value of our facilities on a sustainable basis.

The entrepreneurial approach of RHÖN-KLINIKUM AG is oriented to long-term commitment and sustainable added value. These commitments are what guides us both in our role as a healthcare provider and as an employer, contractor

and listed stock corporation. To create sustainable value, we are not only committed to continuous growth and economic progress, but also take our responsibilities towards society seriously. We are aware of the fact that successful healthcare delivery depends to a particular extent on sustainable environmental and living conditions. We understand our activity comprehensively, and based on our approach see the necessity of structuring the dialogue and interaction with our stakeholders accordingly.

It is therefore particularly important to us to ensure that relations with our employees are balanced and fair. Further training meeting their needs and providing for an attractive working environment are very important to us.

Cooperation of our hospitals with industry and institutions from the respective

region on the basis of trust goes without saying, and is something truly embodied by our executives. We promote cooperation with community-based practitioners as well as the local population through events aimed at raising awareness and informing on current medical developments. In accordance with the law and proactively, we also keep our shareholders informed of all relevant business activities and events.

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**2015** New Marburg Ion Beam Therapy Centre (MIT) opened

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#### **USING RESOURCES SPARINGLY – PROTECTING THE ENVIRONMENT**

We see making sparing use of natural resources and protecting the environment as an obligation that ties in directly with our entrepreneurial activity. That is because good health and human well-being are only possible if our environment remains intact. By taking care of the environment, we contribute directly towards the well-being of our patients, employees and partners in society. An energy and environmental management concept that puts the emphasis on efficiency and using resources sparingly makes not only ecological but also economic sense. In this connection we focus above all on sustainable energy management. We continually invest in innovative processes with a view both to generating energy and to reducing our consumption. At the same time, cutting energy costs is also in keeping with our understanding of economically responsible corporate governance. We manage our resources sparingly so that we have all the more available for ensuring high-quality medical care.





### SUPPLIER MANAGEMENT

Quality, supply reliability and efficiency: these three aspects are at the forefront of supplier management at RHÖN-KLINIKUM AG. Material for medical equipment and medical supplies is procured almost exclusively through external suppliers. For regular hospital processes, that involves certain risks, for example as a result of supply shortages or quality issues. By ongoing market and product monitoring we ensure that dependencies on sole suppliers, single products and service providers are kept to a bare minimum. In principle, we moreover work together with at least two suppliers for each product group to keep the probability of failure as low as possible.

With only a few exceptions, supplier management is centralised. As a rule, products and services needed at only one site are handled by the respective facility itself. Group product and supplier responsibility for certain product groups such as knee and hip prostheses, heart valves, defibrillators or cardiac pacemakers as a general rule is assumed by two materials management heads from different hospitals.

Ensuring availability of medical devices and pharmaceuticals is an ongoing challenge for the medical facilities of

RHÖN-KLINIKUM AG. After company mergers or takeovers, certain products are frequently no longer distributed for reasons relating to margins or competition. In these cases it is important to act quickly to ensure that our treatment quality can still be maintained. The situation is similar when follow-on products come at a higher price. In the interest of efficiency, we rely in these instances on alternatives and competitors.

All products are transported for RHÖN-KLINIKUM AG by lorry, rail, air and ship. Since deliveries of supplies are performed by forwarding agents, we do not have any influence on their transport emissions. When selecting such service providers, however, we make sure that they maintain certified environmental management systems. Given the disproportionately high cost, we do not record other transport emissions such as those from business trips or the commute by employees. Compared with the previous year, materials and consumables used declined by 103.3 million euros or 24.3 per cent to 321.8 million euros (previous year: 425.1 million euros), essentially due to the sale of subsidiaries concluded in the previous year. The materials ratio rose from 28.1 per cent to 29.0 per cent as a result of use of articles entailing higher material costs at our facilities.

## SOCIAL COMMITMENT

In view of rising refugee numbers in Germany, RHÖN-KLINIKUM AG, together with the cooperation partner Zentrum für Telemedizin Bad Kissingen, created a basis for a telemedical network for providing care to refugees. Here, doctors with a migrant background are to provide telemedical care since they possess the necessary medical and linguistic knowledge. The project provides for solutions for initial registration facilities, collective living quarters and hospitals as well as for direct contact with refugees.

In the middle of 2015, the model project “intercultural medical outpatient service”, unique in Germany, was launched in Gießen to meet the special needs of patients with a migrant background. The aim is to achieve intercultural opening by

providing reasonable medical care giving particular consideration to special cultural aspects. The model project is funded by the Hessian Ministry of Social Affairs and Integration.

Moreover, our employees also demonstrate their social commitment as volunteers performing a wide range of tasks such as assistance to earthquake victims in Nepal or for Paralympics athletes, medical care in Afghanistan and Sierra Leone as well as training and higher-qualification training of Macedonian heart surgeons. You can find detailed information regarding the commitment of our employees in the red box on this page and on pages 16 and 31. Company-external institutions or persons are neither supported nor sponsored by RHÖN-KLINIKUM AG. Funds are preferably channelled to research and medical care in our own facilities.

## » Christmas in a shoe box «



The gift campaign “Weihnachten im Schuhkarton” (Christmas in a shoe box) has been bringing happiness to needy children for many years. The idea behind it is to purchase Christmas presents for children and to pack them in a shoe box. Donors may choose the age and gender of a child they would like to make a gift to, and fill shoe boxes with everyday and useful items. The packages are sent either to regions where help is needed or directly to facilities that take care of

children. Since last year, employees from the Gießen University Hospital have been taking part in the campaign. The campaign was organised by Karin Fischer from the anaesthesia department.

### **MS. FISCHER, HOW DID YOU GET THE IDEA TO TAKE PART IN THE CAMPAIGN “CHRISTMAS IN A SHOE BOX”?**

I was excited about the idea that it is about much more than the actual

monetary value of the donation. What we take for granted every day is something really special for needy children, such as sweets, school books or clothing.

### **WHO HAS GOT INVOLVED IN YOUR CAMPAIGN?**

Colleagues from the entire company and from all professional groups have participated. The willingness to help was tremendous. Almost 100 packages were put together.

### **AND WHERE DID THE SHOE BOXES FROM GIESSEN UNIVERSITY HOSPITAL GO?**

We decided to make the gifts to those children who have had to flee their homes over the past weeks and months. The donations were therefore presented to the team of the kindergarten of the Hessische Erstaufnahmeeinrichtung für Flüchtlinge (Hesse Initial Registration Facility for Refugees) in Gießen.





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million euros were available  
in 2015 for a research and  
innovation programme

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2015

The development of  
RHÖN-KLINIKUM AG con-  
tinues to be escorted by  
the Medical Board exist-  
ing since 2014

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# PUTTING PEOPLE FIRST

RHÖN-KLINIKUM AG stands for medical innovation and treatment excellence. Our objective is to offer generalised high-quality care that is accessible and affordable for everyone and that benefits directly from medical research. All patients are examined and treated on the basis of the latest, scientifically founded therapy procedures with state-of-the-art medical technology. This is rounded off by the best possible nursing and care, since sustained treatment success cannot be achieved by technical medicine alone.

It is the stated objective of RHÖN-KLINIKUM AG to press ahead with advances in medicine and to make research findings accessible to its patients as quickly as possible. For

that reason we promote pathbreaking nursing concepts at all sites with our research and evaluation programme. Within that context we conduct clinically oriented basic medical research and the evaluation of innovative treatment methods, for example in oncology. Moreover, the programme covers organisational logistics subjects, such as better integration of inpatient treatment and after-care at home.

## **THE MEDICAL BOARD – INTERMEDIARY BETWEEN MEDICINE AND ECONOMIC EFFICIENCY**

From the very beginning, RHÖN-KLINIKUM AG has assumed a unique pioneering role on the German hospital market. With our Medical Board we remain faithful to this tradition.



In this body of experts, proven top physicians work on an interfacility and interdisciplinary basis together with their colleagues at the hospitals to ensure that our patients specifically benefit from the medical expertise of RHÖN-KLINIKUM AG. Working throughout the Group, they deal above all with issues relating to the medical strategy of the Group and its individual facilities as well as their compliance with corporate objectives.

The focus of work is on the conception and implementation of key medical innovations promoted in numerous projects. For example, in a Company-internal research and innovation programme, 61 projects with a total volume of roughly four million euros were launched in the first funding round. They primarily deal with the subjects of "Research and Innovation" as well as "Treatment Excellence and Network Medicine". This research and innovation

programme covers projects at all of the Group's five sites and is the result of a Group-wide competition.

The second tender round for the funding pool was initiated in the autumn of 2015. The focus here is on simulation tools for funding patient safety and on new approaches in personalised medicine.

#### **NETWORK MEDICINE**

One strategic goal of RHÖN-KLINIKUM AG is implementing the entrepreneurial and health policy vision of national full-service networked medical care. In future, also each patient is to continue to receive the best possible, high-quality medical care tailored to his needs – in keeping with our guiding principle of rationalisation before rationing: efficiency reserves are to be reaped while preserving a level of medical care at least equivalent in quality. This is to be achieved by targeted



## » Big help for little patients «

For parents it is very often a devastating thing to find out that their child has been diagnosed with cancer. The life that has only just begun is overshadowed by a life-threatening situation, casting the young patients and their families into deep crisis. Not infrequently, the parents feel completely helpless. That is why it is all the more important in such extraordinary situations to take care of the child as well as the parents in a professional manner, like the association Verein LöwenKinder in Frankfurt (Oder). This social institution is a competence network that cares for children and youth suffering from leukaemia and tumour diseases and their relatives in the region of Frankfurt (Oder). LöwenKinder is also assisted by our Frankfurt hospital. In 2015, a monetary amount was paid to the social institution

for every employee attending the gala night of the hospital in December. The donation helps LöwenKinder to fulfil long-cherished wishes of the seriously ill children and youth. "We are very happy and will use the money for a car with a special wheelchair lift", said Kati Karney, chairwoman of LöwenKinder. "We are pleased to support the association and the families concerned in Frankfurt (Oder)", said Mirko Papenfuß, the hospital's managing director. On behalf of all employees, the head of communication and marketing, Kati Brand, and the chairman of the works council Stefan Härte! together with midwife Vivienne Heck and Sabine Zinke, who works in communication and marketing and is patient representative, presented the association with a cheque for 3,000 euros.



Kati Brand, Peggy Zipfel, Stefan Härte!, Kati Karney, Vivienne Heck, Sabine Zinke (f. l. t. r.)

referral of patients – also beyond regional borders – to the place and type of treatment. In this way, patient care can be optimised and at the same time waste of resources prevented.

As the first step towards actually achieving network medicine, an operator-open networking partnership promoted under the brand "Wir für Gesundheit" (We stand for health) took up its work in 2014. Together with our partners, we offer under this framework all insured patients under an employer-financed supplementary insurance scheme a guaranteed quality level as well as additional outpatient and inpatient healthcare services at the facilities of the partner network. It is rounded off by further comfort services, making the difference between private and statutory insurance coverage hardly perceptible anymore for patients. This is accompanied by the introduction of networking medical structures enabling more specific and individualised treatment of patients within the network and the networked hospitals. In the medium term, the network is to be expanded into a national, operator-open network of qualified providers.

With the networked medical care at our site, we are committing ourselves to cross-sector and cross-facility regional

cooperation of service providers on the one hand and to the use and ongoing development of telemedicine on the other. For example, the neurology facility Neurologische Klinik in Bad Neustadt is steadily expanding its activities further to include cross-sector care.







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specialist bodies in addition to the Medical Board were established which consistently implement the principle of networking

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# 2016

The project "Patient safety at RHÖN-KLINIKUM AG" with the training of employees as risk auditors will enter its next stage

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# A CONCEPT FOR A QUALITY OFFENSIVE

The best possible medical care – for every patient every day, around the clock: that is the standard of RHÖN-KLINIKUM AG and the guiding principle of our medical quality management. To that end, we are not just committed to classic quality assurance but also follow a comprehensive approach. The most important elements of our Group-wide quality management are clinical risk management, hospital hygiene and medical controlling. The ongoing exchange between these related disciplines and “classic” quality management results in a stable and viable system – the quality concept of RHÖN-KLINIKUM AG.

## NETWORKS FOR EXCHANGE OF KNOWLEDGE

All patients are to benefit from the collective know-how of each of our facilities. To improve the Group-wide exchange of information needed for this, we use various networks:

For example, specialist bodies that consistently implement the principle of networking were established in addition to the Medical Board. Top physicians and specialists from all sites meet regularly for a thoroughgoing exchange regarding the further development of their specialist fields. The flow of ideas with the expert panels is deliberately enabled in both directions: proposals may be made both by the experts on the panels and by the Medical Board or the Board of Management. This reciprocal exchange ensures not only a direct flow of information between clinical practice and the management level. It also makes it possible to make strategic decisions more specifically and quickly. The aim of the close cooperation between the expert panels, Medical Board and the Board of Management is to find solutions leading to an improvement in treatment quality and thus in patient care. Moreover, this is to enable the network of hospitals to be prepared for the strategically important issues of the future, such as the increasing greying of patients or digitalisation in everyday clinical practice.

## 1. CLINICAL RISK AND QUALITY MANAGEMENT

In terms of healthcare policy, 2015 was marked by a quality offensive. The German legislature is planning to reward the quality of inpatient medical services while penalising poor quality at other facilities. For that purpose, the new Institute for Quality and Efficiency in the Healthcare System (Institut für Qualitätssicherung und Transparenz im Gesundheitswesen, IQTIG) will develop binding quality indicators so that the services of German hospitals can be measured and represented. Components of the remuneration are to be based on the quality delivered (pay-for-performance method). Also, hospital planning (e.g. licensing) of the facilities is to be dependent on the level of quality in the services they provide. Until this is implemented in the coming years, the hospitals will be preparing themselves for these new framework conditions.



RHÖN-KLINIKUM AG has met this challenge through, among other things, its hospitals having joined the Initiative Quality Medicine (IQM). Along with the Internet portal Qualitätskliniken.de, whose founding shareholders include our Company, IQM represents a further major quality initiative by German hospitals. We are the first hospital group to actively participate in both initiatives. Both initiatives between them represent some 500 German hospitals and have joined together to establish the foundation Stiftung Initiative Qualitätskliniken (SIQ!). SIQ! is an important driving force in the current debate on quality, and through its management is involved in the important conferences.

Within the Group division Medical Care, the further development of quality management has been the main focus of interest. For coordinated cooperation of the quality management officers from the Group division as well as the Group's facilities, semi-annual meetings were set up within the context of a separate panel of experts that were also attended by the heads of the respective medical controlling departments. This interdisciplinary cooperation was especially important since quality indicators are increasingly being generated on the basis of routine data, meaning that the content of the coding is becoming ever more important also in terms of quality aspects.

The results of the quality initiatives IQM and Qualitätskliniken.de as well as of the quality assurance and the quality survey conducted by the statutory health insurance fund AOK were the focus of interest of the centralised quality management department of the Group division Medical Care and were communicated within the corporate bodies of RHÖN-KLINIKUM AG. On this basis, we are implementing regular reporting on quality (Quality Cockpit) in 2016.

#### **TREATMENT SUCCESS NOT BASED ON ANY ONE ASPECT**

When it comes to improving clinical processes, RHÖN-KLINIKUM AG does not focus exclusively on key figures but also includes "reference indicators" such as duration of procedure or complication rates. They reveal cases whose treatment processes can likely be further improved and therefore should be looked at more closely. With a view to ensuring the best possible clinical processes at our hospitals, we continuously evaluate the respective hospital- and department-specific results locally. It is not always the case that an evaluation calls for a change in processes. The analysis is equally useful when it comes to enabling the meaning of existing indicators to be reviewed on an ongoing basis and to make adjustments where appropriate.



Apart from the objectively measured quality of diagnosis and treatment, the subjective evaluation by patients is also important. The more satisfied patients are, the more willing they are to establish a relationship of trust with their treating doctors, something that can be crucial for the success of the treatment. Since objective medical results quality and subjective patient satisfaction may differ, we put the measurement of patient satisfaction on an equal footing with classic results measurement. We can thus make direct use of the assessment of our patients to improve internal processes and service quality.

#### **GREATER SAFETY THROUGH CLINICAL RISK MANAGEMENT**

In 2015, the subject of patient safety was identified by the Board of Management and the Medical Board as the most important driver of treatment excellence within the hospital network. Funded by the innovation pool of RHÖN-KLINIKUM AG, a risk audit with the involvement of the risk consultancy firm Gesellschaft für Risikoberatung in Detmold was carried out at Marburg University Hospital at three facilities (Clinic for



Cardiology, Angiology and Internal Intensive Medicine, Clinic for Visceral, Thoracic and Vascular Surgery, Clinic for Gynaecology and Obstetrics).

It was thus possible to examine all areas of patient safety over several days. In the next step, the proposed improvements produced by the audits are to be implemented. In 2016 the project "Patient safety at RHÖN-KLINIKUM AG" with the training of employees as risk auditors will enter its next stage. In the long term, each hospital is to be examined regularly by auditors of other sites in a joint effort to improve patient safety.

## 2. MEDICAL CONTROLLING

The economic counterpart to quality management is medical controlling. Medical controllers are internal advisers to physicians and the administration. In operative medical controlling, what are known as coding specialists identify and document services performed for each individual patient, while others have the task of checking the documentation. In this way they create the basis of correct accounting of services and a sound information basis for budget negotiations with payers.

To assist facilities, a reporting entity of the Medical Review Board of the Statutory Health Insurance Funds (MDK) was established. With the aid of this analysis tool, the areas of focus for controlling and the causes of controlling losses can be determined so as to develop measures to improve process and documentation quality. For 2015, the contractual parties face a major challenge with the Agreement on Review Procedures of the MDK. Basically, it is believed that this will speed up the review procedures, but that this will be accompanied by a considerable impairment of post- and re-codings in the review procedure and a rise in the number of social court cases with some payers.

Another component of medical controlling is documenting and recording highly complex nursing services (nursing complex procedure score, PKMS) in patient care, which was further improved and consolidated in 2015. The accounting-relevant requirements for nursing documentation were fulfilled without time-consuming multiple recording of data in the hospitals. Identifying patients requiring highly complex nursing and improving the documentation of the nursing services provided is an objective pursued by all our hospitals. For that purpose, the experts from the hospitals regularly engage in a mutual exchange in an expert working group. In addition, the switch to the system of flat-rate remuneration for psychiatric and psychosomatic facilities

(FRPP) at psychiatric and psychosomatic acute hospitals will have an impact on the respective hospital's results of operations. The switch to FRPP is mandatory as of 2017, but is budget-neutral until 2019. Currently, the hospitals are bringing their internal processes in line with these new challenges. We estimate that the effects on the results of operations will be minor in the short term. The medium-term assessment will depend on how the FRPP system develops.

## 3. HYGIENE MANAGEMENT

Throughout the world, increasing rates of infection make effective protection against the risks of infection indispensable for patients and employees. For this reason we have included hospital hygiene as a permanent part of our quality concept. The Group-wide hygiene management of RHÖN-KLINIKUM AG is a mix of centralised and decentralised organisation. Areas of focus of the central organisation are the recording and systematic, continuous monitoring of the sources of problems as well as comparing them with data within our hospitals and with national reference data (surveillance). RHÖN-KLINIKUM AG records data on infections or consumption of antibiotics systematically. Moreover, relevant quality indicators in the areas of sterilisation and preparation of instruments are gathered, while staffing of hygiene specialists at the facilities is centrally monitored.

During the past year, under the effective management of the hospital hygienists at RHÖN-KLINIKUM AG (Dr. Margret Seewald, Prof. Dr. Thomas Eikmann, Prof. Dr. Reinier Mutters) as well as the coordination by the Group divisions of Patient Safety, Quality Management and Hygiene, the human resources concept in the area of hospital hygiene for the Group's hospitals was developed and adopted by the Medical Board. It has since been implemented at all sites. Furthermore, the relevant subject areas of hospital hygiene (surface disinfection, preparation of medical devices, screening, outbreak management and antibiotics stewardship) were discussed and agreed on. In respect of these subjects, a coordinated procedure at the facilities of RHÖN-KLINIKUM AG was developed in the first half of 2016 that was adopted by the Medical Board in June.

**You can find further information here.**



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7.2

kg was the amount of waste per patient in 2015

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4.9

per cent less water consumption was determined during the reporting period

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5

proprietary plants generated over 39,000 MWh of electricity in 2015, covering roughly 38.5 per cent of the electricity requirement

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# EFFICIENT ENVIRONMENTAL MANAGEMENT

Protecting the environment has been a tradition at RHÖN-KLINIKUM AG for many years. For us, conserving the environment is an important starting point for healthcare provision, and therefore is a self-evident part of our business activity. To offset rising costs, for instance, from developments in healthcare policy or in the area of energy supply, efficient management of energy and the environment is also an economic responsibility which we assume in our corporate goal of achieving affordable and high-quality medical care for everyone.

In keeping with our decentralised corporate structures, our environmental management is firmly established Group-wide at two levels. At every hospital, implementing clinical measures is the responsibility of the respective technical control department. It not only monitors the safe operation of all technical and medical-technical equipment and systems but also construction projects, assumes the task of energy controlling as well as equipment and commissioning planning.

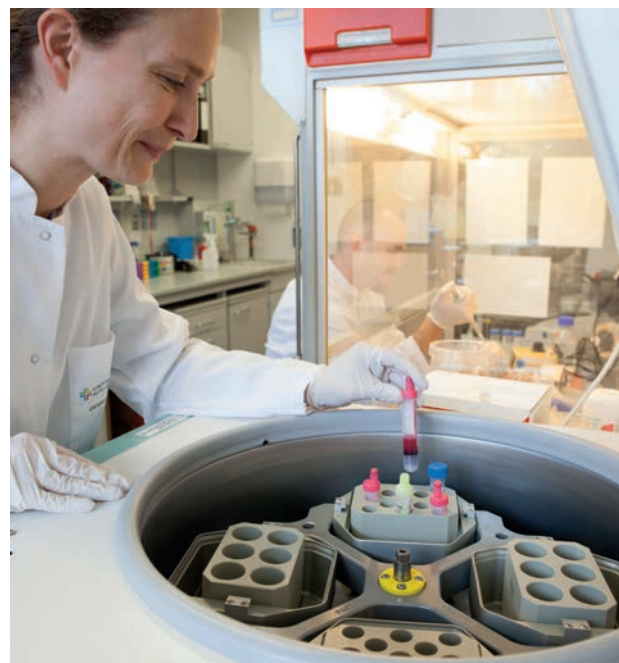
All facilities are assisted and coordinated by the Group division Construction and Technology. Its main tasks, in addition to Group-wide energy and emissions controlling, also include regular training of the responsible staff on site, and organising a quick and effective exchange of knowledge and experience in this field between our hospitals. With innovative projects it furthermore promotes the Group-wide development of new standards for energy provision in the healthcare sector.

## ENERGY SUPPLY

Hospitals are energy-intensive facilities. And the increasing use of information technology (IT) and large medical equipment units means that electricity consumption of hospitals is also set to rise in future as well. This not only makes for a bigger “environmental footprint” but also creates

economic burdens. To counteract this, RHÖN-KLINIKUM AG is continually improving its energy efficiency.

For already over 20 years, we have been pursuing efforts in generating our own energy with our cogeneration plants (CHPs). A particular advantage of our five plants is the heat they produce as a by-product, which is used for heating, hot water as well as cold generation. In 2015 we generated a total of 39,000 MWh from our CHPs, thus covering roughly 38.5 per cent of our electricity needs. This enables annual reductions in CO<sub>2</sub> emissions of about 10,000 t as compared with conventional energy provision. Compared with the previous year, electricity consumption of RHÖN-KLINIKUM AG in 2015 rose by 0.6 per cent to reach 102,000 MWh. Heating consumption then rose moderately by 2.5 per cent to just under 128,000 MWh due to weather conditions.





## KEY ENVIRONMENTAL FIGURES

Energy	Unit	2015
Electricity consumption	MWh	102,000
Consumption per patient	kWh	156
Share of own generation	%	38.5
Heating consumption	MWh	127,600
Consumption per patient	kWh	195
Emissions		
Greenhouse gas emissions	t	69,340
Water		
Water consumption	m <sup>3</sup>	706,257
Consumption per patient	m <sup>3</sup>	1.1
Waste/waste water		
Waste quantity (residuals)	t	4,731
Waste quantity per patient	kg	7.2
Waste water	m <sup>3</sup>	671,120

Last updated: 31 December 2015

As one of the first facilities in Germany, the Radiology Clinic at UKGM in Gießen has a computer tomography (CT) unit of the latest generation. Compared with conventional units, both the irradiation dose and the amount of contrast agent used in examinations can be reduced here by well over half. With the same electricity consumption, the unit is not only better in terms of speed and performance, but also more efficient. For example, the time needed for an examination is considerably shortened, which means that even small children who otherwise would have to be sedated can be examined without sedation using this unit.

Higher consumption of electricity resulting from the use of a greater number of medical units which are also higher-performing, such as computer and magnetic resonance imaging scanners (CTs, MRIs) or IT servers also means more cooling. To cover these requirements we use, in addition to electrically

operated coolers, absorption coolers which are operated at a high level of energy efficiency using heat from our CHPs. In the winter we use "free cooling" for units that have to be cooled during the entire year, by which cool water is cooled with the help of the outside air. For cooling air-conditioned rooms, we are increasingly using what is known as adiabatic cooling without electricity (evaporation cooling). To reduce emissions it is our aim to press ahead with the use of renewable energies within the Group wherever this appears sensible. At the same time, however, energy supply to clinical operations – and thus the safety of our patients – has to be ensured one hundred per cent at all times.

## EMISSIONS

At RHÖN-KLINIKUM AG, emissions are produced primarily in the form of CO<sub>2</sub> from heat and electricity generation. What are referred to as Scope 1 emissions are produced directly on site in our own heat and electricity generation. During the reporting period, these amounted to over 34,000 t of CO<sub>2</sub>. Scope 2 emissions cover all indirect emissions from district heating and electricity deliveries. In 2015 they were roughly 35,000 t of CO<sub>2</sub>.

## CONSTRUCTION MEASURES

All new construction measures at RHÖN-KLINIKUM AG are planned in accordance with state-of-the-art knowledge of energy efficiency. For example, the energy concept at the new hospital complex in Bad Neustadt ensures that only one-third of the previous energy consumption is needed to generate heat. Further measures are thermal component activation for air conditioning, or the installation of economical LED lamps. For reasons of economic efficiency, old buildings no longer undergo energy modernisation measures.

## FRESH WATER AND WASTE WATER

In a hospital, drinking water must be guaranteed in high quality at all times. To this end, we review water quality regularly through microbiological tests that well exceed the legal requirements. Moreover, little used lines are regularly flushed, since water may be allowed to stay in the piping for only a limited time if it is not to lose its microbiological quality. During the reporting period, water consumption declined by 4.9 per cent to 706,000 m<sup>3</sup>. About 35,000 m<sup>3</sup> of fresh water are not fed to waste water, e.g. because it is evaporated in the adiabatic cooling process. Waste water is primarily polluted with contrast agents as well as excretions of pharmaceuticals. The amount of waste water of the five sites was roughly 671,000 m<sup>3</sup> in 2015.

### MATERIALS USE AND WASTE

In addition to energy efficiency, reducing waste in particular is an important objective in managing the environment. This makes not only ecological but also economic sense, since both procuring the materials used and waste disposal generate costs. For professional waste management, each hospital has its own waste officer. Since we pursue a comprehensive approach in waste prevention, we also attach importance to regular training of employees. We thus promote knowledge of proper sorting and disposal of waste on the one hand, and a sparing use of consumables on the other.

In some cases, the various types of waste of our hospitals have to be disposed of by special processes. Depending on their type, they are measured by weight or volume. Despite the use of disposable materials required by law in more and more areas, a slight downward trend in waste volume can be observed.

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**1%**

is the volume by which household-rubbish-related A and B waste fell in 2015.

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**16,284**

employees were employed at RHÖN-KLINIKUM AG at the end of 2015

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**233.21**

euros were spent per employee during the reporting period for training, continued training and higher-qualification training

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**955**

young persons were trained in 2015, 151 of whom were taken over in permanent employment

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# RECRUITING, PROMOTING AND RETAINING EMPLOYEES

A shortage of specialist employees is also a key issue in the healthcare sector. For all companies from the healthcare sector, finding highly qualified and motivated staff for the wide-ranging and complex requirements and duties is a big challenge. Particularly in labour-intensive companies like hospitals, having dedicated and well-trained employees is vital. That also applies to RHÖN-KLINIKUM AG.

The well-being of our patients is the focus of interest of the work performed by our nursing staff, medical-technical assistants (MTAs), therapists and doctors. Our hospitals are characterised by state-of-the-art medical technology, variable working time models as well as numerous offers with regard to remuneration, retirement or childcare, making us an attractive employer nationally.

Our employees benefit from the knowledge and experience of our Group with all its medical specialties and direct link to cutting-edge university medical care. This exchange of knowledge and experience forms a key element of our human resources strategy. Through decentralised continued training and higher qualification measures, our employees can network over the Company's various locations. We are also building on a close integration of medical care and management.

With a total of 16,284 employees, RHÖN-KLINIKUM AG is not only one of the largest private healthcare providers in Germany but also amongst the largest employers at each of its five sites (see Table 1 for workforce structure). During the reporting period, the turnover rate within the Group stood at 2.6 per cent, with the proportion of disabled employees being 7.2 per cent.

## RECRUITING

We adopt sustainable solutions to meet the growing problem of the shortage of specialist staff, for which demographic change in Germany is partly responsible. For RHÖN-KLINIKUM AG it is very important to be an attractive employer in the entire labour market. We moreover attach tremendous importance to a positive candidate experience and approach our candidates in an open and respectful way. The subject of digital transformation also plays a key role.

## TRAINING

A further strategic tool used to counter the shortage of specialist staff is training our own junior employees. For that purpose, RHÖN-KLINIKUM AG runs its own nursing schools as well as schools for therapists and medical assistance professions. To maintain our high level of nursing care, we specifically promote the specialisation as well as training and

2015		Total employees (headcount)	Of which total female employees (headcount)	Of which total male employees (headcount)
Age structure of workforce	Number of employees	16,284	11,821	4,463
	Number of employees up to 30 years of age	3,687	2,790	897
	Number of employees over 30 up to 40 years of age	3,857	2,654	1,203
	Number of employees over 40 up to 50 years of age	3,912	2,870	1,042
	Number of employees over 50 years of age	4,828	3,507	1,321

Table 1

2015		Total employees (headcount)	Of which total female employees (headcount)	Of which total male employees (headcount)
Apprentices, total	Number of apprentices	955	739	216
	Number of apprentices, nursing professions (nursing, etc.)	802	638	164
	Number of apprentices, commercial professions	38	26	12
	Number of apprentices, other professions	115	75	40
Apprentices taken over after training	Number of apprentices taken over after training	151	116	35
	Number of apprentices taken over after training, nursing professions (nursing, etc.)	132	101	31
	Number of apprentices taken over after training, commercial professions	9	8	1
	Number of apprentices taken over after training, other professions	10	7	3

Table 2

higher-qualification training of our nursing staff. Our Group-wide training offering covers nursing, physiotherapy, ergotherapy, logopaedics, dietician services as well as medical assistance professions in the areas of functional diagnosis (MTAF), laboratory (MTLA) and radiology (MTRA) as well as medical documentation (MDA). We are also involved in training in the gastronomic, IT and business fields. During the reporting period a total of 955 young persons were in training, of whom 151 were taken over in permanent employment (see Table 2).

#### HIGHER-QUALIFICATION AND CONTINUED TRAINING

In addition to providing sound training, we specifically promote the continued and higher-qualification training of all professional groups in the Group. That is just as true for our nursing employees who are vital for the successful operation of our hospitals as it is for our doctors. That is because employees with above-average qualifications are the most important assets of our Company. For example, all sites of our hospital network offer doctors the option of completing training as specialists. Our doctors also have opportunities to obtain supplementary qualifications or qualifications in specific areas of focus.

Moreover, students of medicine also have the possibility to complete their practical year at any of the Group's sites. With our recognised academic teaching hospitals, we thus have a good basis for recruiting qualified young doctors. Our aim is to offer our staff attractive professional prospects so as to retain them for our Company in the long term. In this context, it is becoming increasingly important to look at an employee's

overall situation, taking account both of his professional and personal needs.

For training, continued training and higher-qualification training measures, we spent roughly 3.6 million euros during the reporting period, or 233.21 euros per employee. Many of the continued and higher-qualification training measures take place during working hours, which is why the number of hours spent on this cannot be recorded.

#### EMPLOYEES FROM ABROAD

A creative model to counter the shortage of specialist staff nationally is the Scholarship Programme. For some years, already participating doctors from abroad have been able to work in residency on the Bad Neustadt campus. With language courses, the scholarship guest residence and joint projects, doctors are helped to integrate into their new working and living environment.

We have also been offering a special nursing integration programme for foreign nursing staff since 2014. The initially one-year placement as nursing assistant is accompanied by an intensive language course and rounded off by a social framework programme. Moreover, at the subsidiary RHÖN-Reinigungsgesellschaft at the Bad Berka site a cooperation arrangement for training Spanish apprentices was entered into.

#### ATTRACTIVE EMPLOYER

Our claim to being an attractive employer is also based on our flexible working time models. We have entered into

2015	Total:	Of which part-time employees	Proportion of part-timers in total number
Number of employees (headcount)	16,284	6,462	39.68 %
Number of employees (full-time positions)	13,063	3,784	28.97 %
Female employees (headcount)	11,821	5,655	47.84 %
Male employees (headcount)	4,463	807	18.08 %

Table 3

individual site-specific agreements to take account of our employees' personal priorities to a greater extent. For example, our personnel work under trust-based, flexible or part-time working time schemes. A total of 6,462 employees (39.68 per cent) were employed part-time during the reporting period, with the proportion of women being around 47.84 per cent (see Table 3). A total of 491 employees were on parental leave.

At most of our locations, employees can have their children looked after in an in-house kindergarten. Some hospitals have entered into cooperation schemes with local day-care centres. New employees are also given assistance looking for an apartment, or are provided with the hospital's own

apartments at a reasonable cost during the initial phase. For family-friendly corporate governance, we have adopted the Group-level works agreement "Career and Family". A family-oriented personnel policy is also an important basis for achieving equal opportunities.

## REMUNERATION AND COMPANY RETIREMENT PENSION SCHEME

Performance-oriented remuneration and various incentive schemes allowing our staff to take a stake in the Company's success also help make us an attractive employer. With state-of-the-art medical technology, we offer doctors pleasant working conditions. For its hospitals, RHÖN-KLINIKUM AG has negotiated in-house collective agreements with the trade unions ver.di and Marburger Bund. Compared with the collective agreement scheme seen in the public sector, the employees of our facilities enjoy financial advantages under tax and social insurance legislation, such as high night-shift premiums exempt of tax and of social insurance contributions.

The Group's philosophy of giving all employees a stake in the Company's result also fits in with this collective bargaining scheme. Here, the entire result is the sum of the individual performance items. This "we component" is a sensible management and motivation instrument and has the advantage of ensuring that every individual does well if the whole Company does well.

**You can find further information here.**

## » Flexibly qualifying our employees «

Constantly changing rules, regulations and legislation along with ongoing advances in medicine are characteristic features of the healthcare system. That is why it is all the more important for employees of RHÖN-KLINIKUM AG to be up-to-date at all times. We ensure this above all with ongoing training, since excellent medical treatment and nursing provide the most important basis of cutting-edge medical care for our patients.

Existing classroom training programmes will be supplemented from the end of 2016 by an e-learning system. By learning

with the aid of digital media, our employees enjoy a high level of flexibility with regard to where and when they receive continued training. Every employee can learn the materials at the pace that suits them. With the e-learning system, both participants and materials are managed, learning progress is documented, and the training sessions completed. In this way, the right information is available to the right employees at the right time. In the digital environment, learning materials can be made accessible flexibly, dynamically and in updated form. Moreover, the en-

tire continued training offering can be organised and managed through the system. It is thus possible for our employees to enrol in classroom training programmes and to get to know the multifaceted training offering of all our sites.

The e-learning system moreover enables an interfacility and schedule-free exchange of e-learning subjects between employees and specialists. Where employees did not have the opportunity to complete training sessions at their workplace, they can attend the training sessions at home on their

computers. For this, a corresponding time credit is granted. For the exams or courses they pass, they receive a certificate that can be printed out through the system directly.

The e-learning system initially will offer various basic training courses, e.g. on the subjects of compliance, work safety or data protection. However, thanks to the platform's flexibility, further learning modules can be added as required so that training courses on subjects such as taking blood, inserting stomach probes or conducting fall prophylaxis can be conducted.





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2

At least two compliance training courses were held at each site in 2015

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2014

Since 2014, we have been above all concerned with ensuring that compliance breaches are prevented from the outset

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# MORE THAN JUST RULES

As for compliance, there is still room for improvement at many German companies. Many employees are only inadequately aware of their employer's rules on observance of legislation and guidelines as well as their ethical principles. This was the finding of a survey conducted amongst 1,000 employees by Recommend in collaboration with Würzburg-Schweinfurt University. According to the study, only 36 per cent of respondents know of existing compliance rules at their company. In other words, about every fourth employee would accept gifts without reservation. For the hospital area, this number is probably much higher since the compliance approach is still something completely novel for many operators.

For us as a healthcare service provider, the focus is always on the trust our patients put in us. Irrespective of that, newspapers time and again report cases in which doctors give preference to prescriptions of certain pharmaceuticals or to use of certain medical devices in return for more or less hidden kick-

backs. Yet at the same time it is no new insight that unlawful and unethical conduct is not only economically inefficient but in particular destroys trust. The legislature is countering this with a new criminal code that will force the other players to act immediately.

## **COMPLIANCE MANAGEMENT SYSTEM PROVIDES FOR OBSERVANCE OF RULES**

For RHÖN-KLINIKUM AG, by contrast, compliance has been a key subject already since 2008. Above and beyond the statutory requirements of compliance, a Group-wide Compliance Management System (CMS) was set up. It is pursuing the aim of ensuring that statutory requirements and ethical codes of conduct are observed over all hierarchical levels.

Compliance is to everyone's advantage: it protects employees as well as persons holding organisational responsibilities from



### Compliance-relevant subjects at RHÖN-KLINIKUM AG

- Prevention of criminal conduct, in particular corruption in business transactions and fraud
- Events and training measures
- Compliance audits
- Case studies
- Advisory and standardisation

civil and criminal legal action, and contributes to a release from liability. Compliance safeguards efficiency because punitive payments and litigation costs are prevented and pecuniary losses from white-collar crimes are counteracted. Compliance also protects against negative media coverage. Compliant organisational structures enable employees to better identify themselves with the company and further improve corporate culture when employees know that they are protected against compliance breaches and that the compliance officers will be there to support them in critical situations. The positive external effect of a duly compliant company also reflects well on the employees.

#### DISTRIBUTED CONTROL FUNCTIONS

The establishment and functioning of the CMS governs the Rules of Procedure for Compliance, which are binding on each and every employee. The chairman of the Board of Management of RHÖN-KLINIKUM AG holds primary responsibility for compliance. He reports to a committee of the Supervisory

Board. Given the high importance of this subject, the Supervisory Board Committee for Compliance and Communication meets at least on a quarterly basis. Within the scope of their compliance-related duties, the individual subsidiaries are assisted by the Group's central compliance organisation. On site, it is the compliance officers who report to the central compliance organisation and act as contacts on site. To ensure smooth coordination between risk management, the Internal Auditing Department and compliance, there is also a Compliance Committee that meets on a regular basis.

We conduct a regular review based on internal and external events of how effective and up-to-date the CMS is, continuously adjusting our rules as required. Since the corporate restructuring in 2014, we have been above all concerned with ensuring that compliance breaches are prevented from the outset, i.e. with identifying and averting risks in time. Key measures consist in reviewing workflows ensuring legally compliant work activity (audits) and adjusting them as required, as well as informing employees of rules to be complied with. In addition to a guide to the most important questions on the subject of compliance, we have developed a recommended procedure for dealing with potentially critical contracts. In this way situations that might give rise to corruption, and thus allegations of corruption, can be prevented proactively.

In the future, the head of Compliance will continue to focus particular efforts towards creating awareness. At RHÖN-KLINIKUM AG, information policy enjoys very high priority,

## »» Help for South African orphans ««



Not all children in the world enjoy the same opportunities for a secure future. In South Africa, the plight of infants and small children especially continues to be very great. The non-profit association "Ihr sollt LEBEN" (You must live) from Leutershausen in the Franconia region is therefore committed to numerous projects and advocates a comprehensive approach to promoting the well-being of children. For example, the association has es-

tablished a baby house for orphaned or abused children up to three years of age. In March 2015, the first baby was placed in its care. Now, several children are receiving loving care and attention after their difficult start into life.

"Ihr sollt LEBEN" establishes children's homes and supports various existing day-care centres for children with or without a disability in Tshwane (Pretoria). The

homes are provided, e.g., with water tanks, blankets, tables and chairs, as well as food, clothing and educational materials. With specific continued training, the association helps the usually untrained staff of the facilities also in pedagogical matters. Since all costs of the association are covered by donations, numerous employees from various facilities in Bad Neustadt provide financial support to the "Ihr sollt LEBEN" commitment.





whether as part of internal higher-qualification measures or work on corporate bodies. In 2015 at least two training courses were held at each site, one for the medical doctors and one for the nursing staff. They covered the compliance risks typical for these areas and were oriented in their subject matter to the group of participants. In Bad Neustadt, each new employee now attends a compliance training course. The selection of subjects in the past year related e.g. to use of patient data, anti-corruption and invoicing of foreign patients. Moreover, special services agreements were discussed in separate training courses. This was complemented by further events involving small groups on specific subjects for managing directors or boards and panels.

#### **ABOVE AND BEYOND STATUTORY REQUIREMENTS**

Our actions for the well-being of patients are oriented by the corporate principle "Don't do to others what you would not like done to yourself, and don't leave off doing anything that you would like done to yourself." This corporate principle in the sense of compliance is an obligation in all our decision-making processes. To achieve our corporate objectives, we do not just meet the legal regulations but go above and beyond them with our own internal requirements. These internal rules are based on even more stringent ethical standards. They can be found in the form of Group works council agreements, the

Rules of Procedure for Compliance as well as guidelines and recommendations (e.g. code of conduct) so that every employee is enabled to pursue our corporate objective in accordance with our values.



## OUTLOOK

With this second Progress Report on sustainability at RHÖN-KLINIKUM AG we show that our Company with its long-term objectives has begun a process of sustainable development at all levels.

This includes, among other things, our campus concept with numerous different healthcare facilities whose construction stage is already in full swing at our Bad Neustadt site, and which serves as a model for other sites. The Kreisklinik Bad Neustadt facility has complemented our facilities in Bad Neustadt since its acquisition in 2016. Kreisklinik's constructive, functional and human resources integration into the Bad Neustadt Campus is an important model project for the development of healthcare delivery, particularly in rural regions.

In our innovation and funding pool, roughly 60 development and research projects dealing primarily with the subjects of

“Research and Innovation” as well as “Treatment Excellence and Network Medicine” were funded during the reporting period. In 2016 nearly 30 more projects were added.

Investments in medical technology were also path-breaking: for example, over the past year the new “MIT – Marburg Ion Beam Therapy Centre” was put into service, as was a new linear accelerator at the Clinic for Radiation Therapy and Radiation Oncology in Marburg, thus making it possible in future to provide more effective radiation therapy with lower levels of stress for patients.

Given the growing challenges in the healthcare system, we will continue to work together with our stakeholders to establish sustainability at all levels of the Company.



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