



**REPUBLIQUE D'HAITI**  
Ministère de la Santé Publique et de la Population



**HÔPITAL**  
**SACRÉ-COEUR**  
Milot, Haiti



# HOSPITAL SACRED HEART OF MILOT BUSINESS PLAN

November 2016

Funding for the development of the hospital business plan for *Hôpital Sacré Cœur de Milot* (Hospital Sacred Heart of Milot, HSCM) was provided by the U.S. Agency for International Development (USAID) through the Health Financing and Governance Project (HFG).



This business plan is also available in French.

Cover photo: Aerial view of the courtyard of the Hôpital Sacré-Cœur of Milot @ Sacré-Cœur de Milot, 2015.



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The management of the Hospital Sacred Heart of Milot (*Hôpital du Sacré-Cœur de Milot*) would like to express their gratitude to USAID Haiti and the Health Finance and Governance Project (HFG) for their assistance in carrying out the study on the costs and development of the hospital business plan. We want to thank in particular Sophie Faye and Waldo Beausejour for the costing and Yann Derriennic and Dick Wall for the business plan development. Special thanks to the clinical and administrative teams for their participation and support.







# EXECUTIVE SUMMARY

The purpose of this business plan of the Hospital Sacred Heart of Milot (*Hôpital du Sacré-Cœur de Milot*, HSCM) is to define practical and feasible strategies to decrease HSCM's dependence on external funds and to improve the efficiency and quality of the care offered. The strategies can be implemented immediately, even if some of their results will be realized only in the middle to long term. HSCM had the support of the USAID-funded Health Finance and Governance (HFG) project in developing the business plan; more precisely, the HFG project team did an estimate of the costs of the hospital's services and then facilitated the drafting of this plan.

This business plan gives HSCM a tool that should help it to:

- ▶ Better harmonize its fund-raising activities at the international level and, to a lesser degree, at the local level;
- ▶ Have convincing data that can be shared with the members of the CRUDEM Foundation and with other sponsors or donors;
- ▶ Sensitize and mobilize all staff around the strategies for increasing revenues and mitigating losses (wastage, theft...);
- ▶ Strengthen the hospital's 2016-2021 strategic plan;
- ▶ Have a known roadmap enforceable with all actors involved in the management of the HSCM;
- ▶ Instill the concept of the hospital's sustainability in the organizational culture and have sustainability perceived as a challenge that is shared and addressed by all staff.

## Hospital Sacred Heart of Milot

Founded in 1986, HSCM is a leading community hospital serving more than 225,000 inhabitants in several municipalities of the department of North Haiti. The hospital now has 125 beds and, in 2015, provided 65,425 outpatient visits, admitted 7,344 patients and performed 2,520 surgical procedures. The hospital employs 378 persons comprised of:

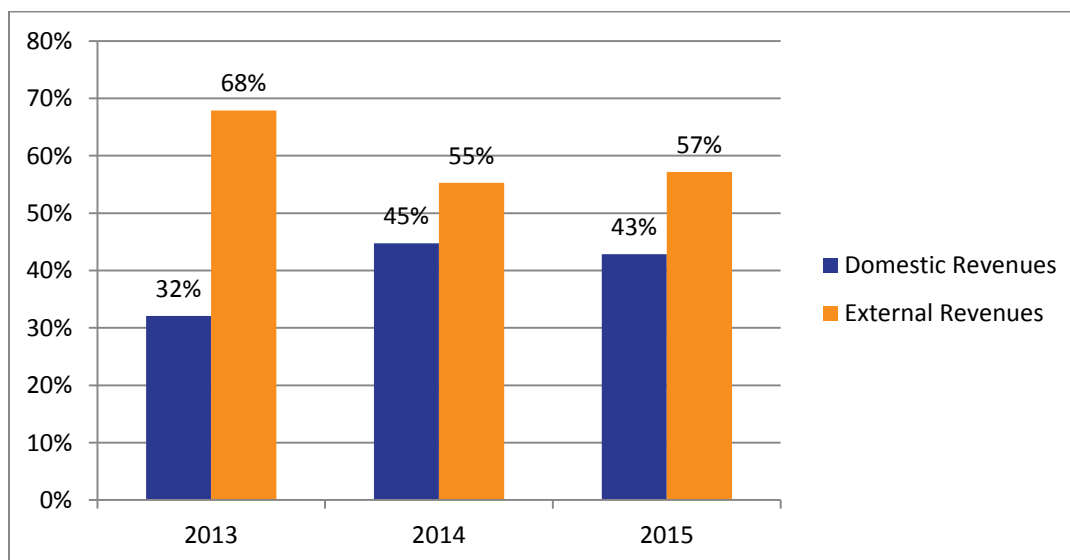
- ▶ Medical staff (direct care): 178
- ▶ Paramedical staff (pharmacy, imaging laboratory, etc.): 31
- ▶ Support staff (support for care): 169



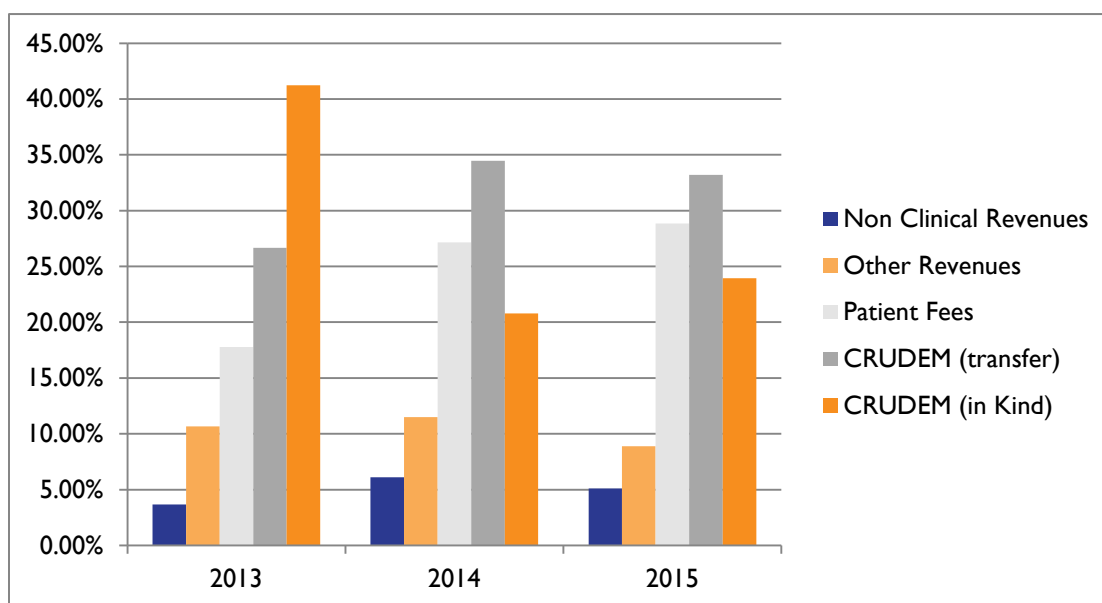
## Financial situation and strategic goal

In 2015, the hospital depended on external funds for more than 57% of its revenues<sup>1</sup> (Figure 1). The majority of that external support, in cash and in kind, is provided by the CRUDEM Foundation (Figure 2). Hospital revenue decreased 1.74% (4,141,425 gourdes) in 2013 and 0.81% (1,716,245 gourdes) in 2014. In contrast, in 2015, there was a surplus of 5.24% (13,409,370 gourdes).

**Figure ES-1: Recipes 2013-2015 HSCM according to the internal or external source**



**Figure ES-2: Recipes 2013-2015 by source HSCM**



<sup>1</sup> The actual percentage is greater as not all donations received have been recorded; specifically the in kind donations from medical volunteers.

HSCM's financial goal is to increase the hospital's domestic revenue until it accounts for at least 50% of total revenue.

## Strategies adopted

In June 2016, the HFG project team facilitated a three-day workshop with key HSCM stakeholders to develop a business plan based on preceding work. Facilitators used a participatory and consensus-building approach. The participants chose and developed the strategies described below. The purpose of the first two strategies is to increase the hospital's revenues. The next two strategies are steps to increase efficiency and thereby decrease expenses. The final strategy is critical to the sustainability of the hospital and will support the first four strategies.

### ***Strategy 1: Expanding private clients base***

Because of HSCM's charity mission and the generalized poverty of the population of North Haiti, the fees the hospital charges its patients do not cover its cost of providing services. However Milot is only about 20 kilometers from Cap Haitien, Haiti's second largest city. To increase domestic financing, HSCM would like to charge patients who can afford to pay for certain services at cost plus an operating margin. That mark-up would allow the hospital to recoup some operational costs, thereby helping to guarantee the sustainability of the hospital.

This strategy is related to Strategy 2 in that it requires HSCM to be having the capacity to accept insurance.

The goals are to:

- ▶ Establish private hospital rooms to attract clients who can pay and pay at a higher rate - cost plus a margin.
- ▶ Strengthen the fund-generating services that the hospital offers.
- ▶ Develop a system of partnerships with private doctor's offices.

Having private rooms will enable HSCM to offer "hotel" services to those who can pay; doing this will not adversely affect the quality of medical services delivered to any patient. Identifying and strengthening certain inpatient services such as imaging, histopathology, and oxygen will enable the hospital to offer such services to external, paying clients. Forming partnerships with local private doctors will allow paying clients to use hospital services for a fee. This will increase utilization of hospital services by full paying clients.

### ***Strategy 2: Developing (setting up) the insurance system***

Health insurance is still rare in Haiti. OFATMA, a state insurance scheme for workers in the formal sector, is still in an embryonic stage; nevertheless, HSCM has signed a contract to provide services to OFATMA beneficiaries, and there is some individual private health insurance coverage in-country. For this reason, HSCM has made developing its ability to manage insurance patients its second domestic revenue-generating strategy. It is closely connected with the first strategy, the expansion of the private patient base.

Building capacity to implement this insurance strategy starts with adapting HSCM's existing patient management tools, i.e., medical and financial records, so that it can follow and bill insured patients. At the same time, the hospital must do costing of services beyond what was done by the HFG team in order to assess the appropriate at cost plus margin charge per service to insured patients. This will

require HSCM hospital administrators to become acquainted with the prices charged by other service providers. Finally, other insurance companies could be contacted to negotiate contracts.

### ***Strategy 3: Enhancing purchasing function for lower-cost purchases and supplies***

HSCM has recently strengthened its purchasing function, but such efforts must continue in order to enhance purchasing power through the use of grouped purchases, preselected suppliers, and a more extensive modernization and streamlining of the purchasing function. Reinforcing the purchasing function will decrease HSCM costs.

### ***Strategy 4: Streamlining the use of inputs in the services***

This strategy intends to decrease the losses the hospital is incurring on expenditures on service inputs by redoubling efforts to follow procedures set up for managing and ordering inputs. This includes systematic management of stock, including doing an inventory before any restocking.

### ***Strategy 5: Setting up an efficient hospital information system***

A more powerful medical and financial information system is necessary to track and improve hospital management.

HSCM has felt the need to improve the medical and financial information system for several years. The adoption of strategies 1 and 2 above requires effective management of private paying clients and insured patients; this has created an urgent imperative for improving HSCM information systems. In order to do so, the hospital first needs to evaluate the existing system and then develop an upgrade plan. The identified measures include: finalization of the patient's circuit to take into account insured patients, setting up a manual system of data management, and restructuring the archives.

## **Conclusion**

This HSCM business plan takes into account the current context and relies on existing analyses and efforts. It was developed through a participatory and consensus-building approach with technical assistance from the HFG team. Its two essential goals are to decrease HSCM's dependence on external financing sources and to improve the efficiency and quality of the services HSCM offers. To achieve these goals, five strategies have been identified; the results of their implementation will depend on the time frame assigned to them. The two strategies that are intended to save money by improving the purchasing and management of inputs (strategies 3 and 4) could yield results in the short term. The other three strategies (strategies 1, 2, and 5), aimed to increase revenue from local sources, will bear fruit in the middle and long term and so will require more sustained efforts. Effective implementation as proposed for all five strategies will be essential for the sustainability of the hospital.

# I. CONTEXT

The history of the Hospital Sacred Heart of Milot (*Hôpital du Sacré-Cœur de Milot*, HSCM) starts in 1968, when the Brothers of the Sacred Heart of Montreal (Canada), created a foundation called “Rural Center for the Development of Milot” (*Centre Rural pour le Développement de Milot*, CRUDEM). The CRUDEM Foundation’s work was multi-disciplinary; it was involved in building roads and schools, drilling wells, developing a cooperative, and other activities. In 1986, in response to repeated requests from local residents, the Brothers, with the support of two Haitian doctors, set up the Sacred Heart of Milot Medical Center; the center had only eight beds and a poorly equipped operating room.

At about the same time, Doctor Theodore Dubuque, a surgeon from St. Louis, Missouri (USA), contracted a serious disease. He promised God that, if he were cured, he would spend the rest of his life helping others. After a complete remission, he decided to leave on a mission. So in 1988, he arrived at the Sacred Heart Medical Center and stayed there for six months, performing approximately 250 surgeries. Upon his return to the United States, he rallied support from his family and from businessmen in his community for his project; over 25 years, their contributions have transformed the basic health center into a leading community hospital that serves more than 225,000 inhabitants from several municipalities in the North Haiti department.

The CRUDEM Foundation is a non-profit entity incorporated in 1993 under section 501(c) (3) of the U.S. Internal Revenue Code. The foundation does not provide health care services directly; rather, its mission includes improving access to health care services for poor, medically underserved people by seeking, receiving, managing, and disbursing contributions of funds and other property (movable and real estate) to hospitals around the world, but mainly to HSCM. HSCM is a separate legal entity and is in the process of applying for NGO status.

## I.1 Vision, Mission, and Values

### I.1.1 Vision

***“To be the best hospital in the region.”***

### I.1.2 Mission

“We are a leading Catholic hospital that provides the highest quality of care to patients, guided by an acute sense of service, Christian compassion, and respect for the dignity of each individual, independent of his or her faith, economic status, or disease.”



### 1.1.3 Philosophy, expectations, and values

HSCM expects all of its employees to do their best every day to carry out its mission. Any action must reflect the principles on which the hospital is based: better services and quality of care given to its clients. The following values must orient the work and behavior of all employees.

- ▶ **Team spirit:** The hospital's underlying motto is "union through strength." To enable HSCM to realize its vision, employees must work in close collaboration, giving up the "me" in favor of the collective interest. Exchange of ideas and suggestions creates a work framework propitious to achieving the vision.
- ▶ **Mutual respect:** Respect for each other in interpersonal relationships stimulates the desire to work together and reduces conflicts.
- ▶ **Transparency:** HSCM employees must perform their tasks with the greatest transparency, honesty, and impartiality in order to inspire confidence, since that is the key to collective performance.
- ▶ **Surpassing oneself:** HSCM employees must use their mental strength to overcome their limits, be they physical, psychological, cultural, or organizational. The employee must strive to scrap its "I" in favor of the collective interest.
- ▶ **Sense of responsibility:** Employees must fulfill their obligations, perform their tasks with professionalism, and accept the consequences of their acts.
- ▶ **Courtesy:** HSCM preaches courtesy in relations between superiors and subordinates, among coworkers, and by employees with respect to patients, who must be treated with courtesy, respect, and consideration.
- ▶ **Know-how:** Employees must achieve their tasks with tact and competency. So that patients are satisfied, employees must adopt as an obligation "the sense of a job well done."
- ▶ **Compassion:** Employees must be sensitive to the pain of others by showing compassion, generosity, and solidarity.
- ▶ **Integrity:** Employees must be committed to integrity in performing their work and not to enriching themselves to the detriment of the organization.
- ▶ **Sense of the common good:** HSCM employees should take on the organization as their own property, considering it as property belonging to a whole community, which deserves total protection. In that sense, each employee must see to the proper operation of the hospital by using equipment carefully and otherwise protecting its property, and refraining from disparaging or disseminating information about the internal affairs of the hospital. Employees should view a failure of the hospital as their own failure.

## 2. GOVERNANCE AND ORGANIZATIONAL STRUCTURE

### 2.1 Governance

The HSCM Management Board, chaired by the HSCM Chief Executive Officer, manages the hospital on behalf of the CRUDEM Foundation's Board of Directors. The Management Board also has the authority to develop hospital protocols and procedures as well as strategic and operating plans. The strategic and operating plans are then submitted to the CRUDEM Foundation for approval. The Management Board meets on a monthly basis, and the HSCM Chief Executive Officer participates in the meetings of the foundation on a quarterly basis to file reports and present strategic reorientations that will need foundation approval.

#### 2.1.1 The Management Team

The HSCM Management Board has six members:

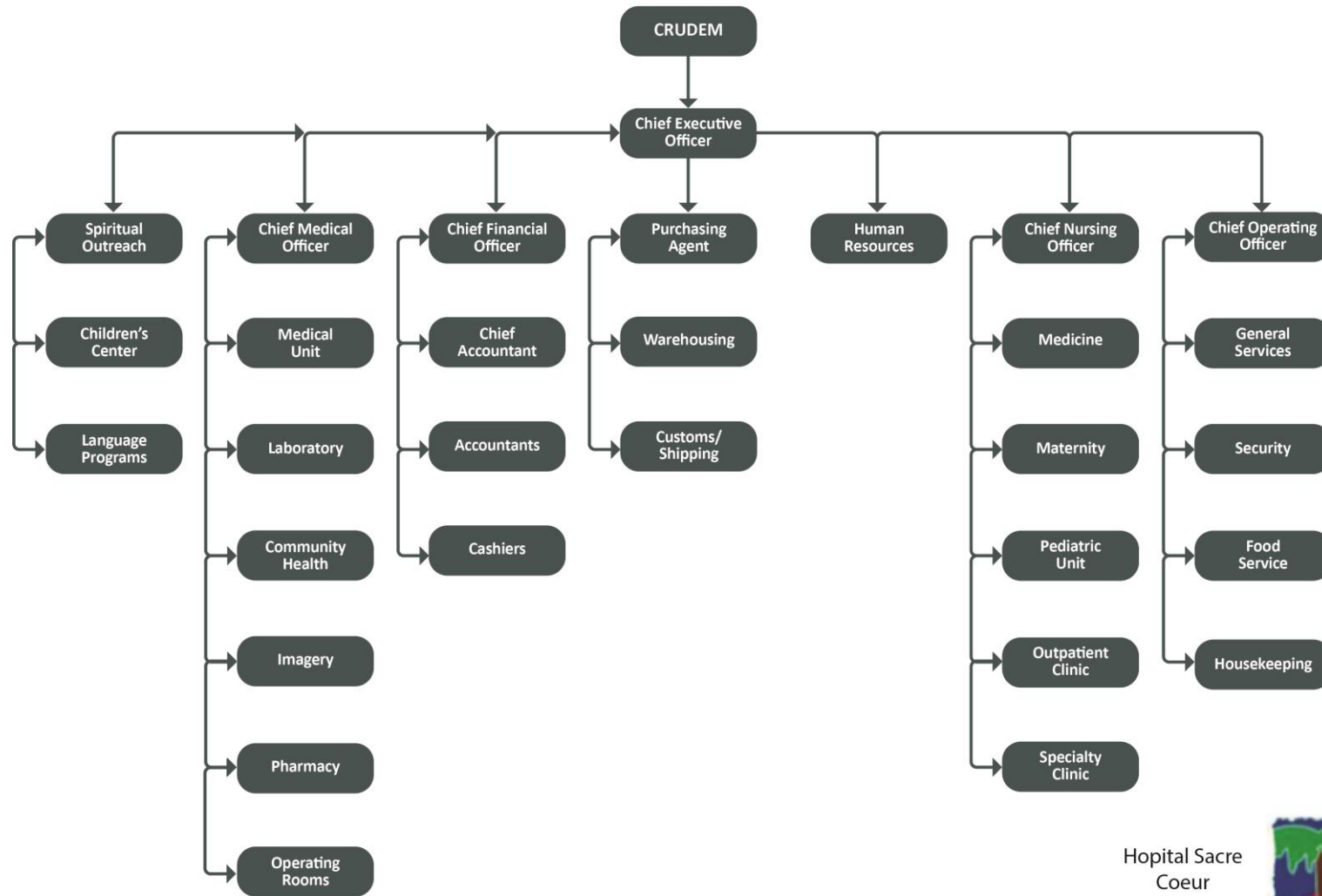
- ▶ Chief Executive Officer, Chairman of the Board
- ▶ Chief Medical Officer
- ▶ Chief Nursing Officer
- ▶ Administrative and Financial Officer
- ▶ Human Resources Officer
- ▶ Purchasing and Procurement Officer

The Chief Executive Officer, appointed by the CRUDEM Foundation, ensures that the hospital operates properly, and he coordinates the efforts to provide the public with the services of health promotion as well as specific prevention, treatment, and rehabilitation services. He determines the major directions jointly with the Management Board.

The Management Board is a subset of the Board of Director. It deliberates the mission, institutional goals, and main strategies of the hospital. It does not interfere in the daily management of the hospital. With the approval of the Chief Executive Officer, it may have direct relationships with the CRUDEM Board of Directors.

Besides the Management Board, there is the "Board of Managers," a consultative body composed of the various department heads. At its monthly meetings, members analyze facts and circumstances, evaluate the results of and if necessary modify earlier management decisions, and make useful and significant suggestions to the administration and the management of the hospital.

## 2.2 Organizational Structure



Hopital Sacre  
Coeur  
Milot, Haiti





## 2.2.1 Human Resources

The hospital now has 125 beds and, in 2015, provided 65,425 outpatient visits, admitted 7,344 patients and performed 2,520 surgical procedures. The hospital employs 378 persons comprised of:

- ▶ Medical staff (direct care): 178
- ▶ Paramedical staff (pharmacy, imaging laboratory, etc.): 31
- ▶ Support staff (support for care): 169

HSCM human resources are distributed as follows:

- ▶ Doctors: 28 employees and 5 residents in social service
- ▶ Administration: 9
- ▶ Accounting and cashier's office: 10
- ▶ Nurses: 110 (including 5 anesthesiology nurses, 3 nurse midwives, 2 neonatology nurses, 4 nurses specialized in community health)
- ▶ Nurse's assistants and health aides: 32
- ▶ Pharmacy: 9 (including 3 pharmacists)
- ▶ Laboratory + blood transfusion station 17 (15 medical technologists)
- ▶ Imaging: 3 (2 technicians in radiology and 1 nurse technician in sonography)
- ▶ Rehabilitation: 3 (physical therapy and prosthesis laboratory)
- ▶ Records: 8
- ▶ General services: 22 (all technicians combined)
- ▶ Security: 32 (employees and part-time)
- ▶ Kitchen: 13 (employees and part-time)
- ▶ Support staff (cleaning, laundry, transporters, etc.): 77 (employees and part-time)

Each functional unit presented in the organizational chart (Figure 3) is responsible for carrying out a set of jobs. There is a job description that lists the roles and responsibilities as well as general and specific activities for each position. The job descriptions are used as the main reference for recruitment and for planning and evaluation of staff performance.

Since the employment contract is a bilateral, consensual contract, the Chief Executive Officer approves in writing any decision to replace a staff member and/or place a staff member on unpaid leave. The Chief Executive Officer must be consulted for his reasoned opinion by the Management Board for the general organization of the security guard service.

## 2.2.2 General Policies

HSCM is an employer that advocates equal opportunity and does not discriminate against any employee or job applicant based on race, age, skin color, religion, nationality, or sex. Nor does it discriminate based on applicant/employee health status (HIV/AIDS or other) or physical or mental disabilities.

The HSCM follows the following policies:

- ▶ Equal employment opportunities.
- ▶ Internal and external dissemination of information. The management team of HSCM, as well as the subcontractors, suppliers, and representatives with whom the institution has contact, must be informed of the measures taken by the institution and be aware of their responsibilities.
- ▶ Optimal use of the various work teams: The setting of the goals and attendance sheets make it possible to see to the rational usage of the various work teams.
- ▶ Good work relationships. HSCM would like to develop long-term business relationships with each productive member of its team who shares its values, vision, and mission. However, the nature of the hospital's work environment requires a very high level of flexibility with respect to the changes that are taking place in the health sector, changes over which the hospital has limited control. The number and the types of positions available will always depend on the institution's work plan, the volume of activities under consideration, the nature of the projects in process, emergency situations, and the financial situation of the institution.

However, the Management Board takes measures to keep the employees informed in timely fashion of the status of their employment and career opportunities. Insofar as possible, the employees will be informed of any opportunities that might arise. The current policy is to promote from within for any vacant position: if an employee and an external candidate have the same qualifications for a position, priority will be given to the employee.

### 3. SERVICES AND DEPARTMENTS

HSCM offers the following services on an ongoing basis:

- ▶ General outpatient clinic
- ▶ Specialized clinics
- ▶ Emergency care
- ▶ Intensive care
- ▶ Internal medicine and cardiology
- ▶ Pediatrics
- ▶ Maternity
- ▶ Surgery
- ▶ Orthopedics and traumatology
- ▶ Ophthalmology
- ▶ Dental care
- ▶ Community health service
- ▶ Physical therapy and rehabilitation
- ▶ Pharmacy
- ▶ Imaging services (radiography, abdominal ultrasound, echocardiography, electrocardiogram)
- ▶ Histopathology service
- ▶ Biological analysis laboratory
- ▶ Blood transfusion facility
- ▶ Prosthesis laboratory
- ▶ Morgue

Other, specialized services are offered periodically with the support of foreign practitioners:

- ▶ Maxillo-facial surgery
- ▶ Orto rhinology
- ▶ Dermatology
- ▶ Plastic surgery
- ▶ Laparoscopy
- ▶ Urology

Table I. Health Data 2014 - June 2016 by department

	2014	2015	Janvier - Juin 2016
<b>Outpatient Services</b>	<b>61551</b>	<b>65425</b>	<b>37435</b>
<b>Hospitalizations</b>	<b>6339</b>	<b>7344</b>	<b>3692</b>
Surgery	965	957	524
Medicine	1258	1312	1012
Pediatrics	1326	1650	705
Maternity	1692	2032	908
Gynecology	500	555	274
Other	598	838	269
<b>Surgeries</b>	<b>2071</b>	<b>2520</b>	<b>2305</b>
NGO (ENT)	22	34	28
General	768	861	814
Gynecology	215	266	241
Maxillo-facial	18	19	19
Obstetrics	478	638	558
Ophthalmology	70	79	75
Orthopedics	380	505	443
Plastic	0	16	16
Urology	120	102	111
<b>Prescriptions</b>	<b>157340</b>	<b>159398</b>	<b>158369</b>
<b>Laboratory tests</b>	<b>123601</b>	<b>160942</b>	<b>142272</b>
Diagnostic tests	7549	9536	6340
Radiology	4166	4861	3083
EKG	1838	1800	1051
Echo cardiology	506	572	412
Sonography	1039	2030	1300
*Obstetrics	825	938	465
*Abdominal	121	420	256
*Gynécology	66	634	577
*Other	27	38	2
<b>Histopathology</b>	<b>0</b>	<b>273</b>	<b>494</b>
<b>Childbirth</b>	<b>1281</b>	<b>1643</b>	<b>901</b>
* Normal	880	1044	426
* Cesareans	401	599	308
* Home birth	Not available	Not available	167
<b>Number of patients who have received HIV/AIDS counseling and testing</b>	<b>18896</b>	<b>12770</b>	<b>11122</b>
* Pregnant women counseled and tested	3587	2400	2513
Visits to the antiretroviral clinic	8933	8457	4601

## 4. FINANCES

The year 2013 marked a turning point in HSCM's approach to financial matters. The preceding years were a period of financial instability and irregularities that culminated in 2013 with HSCM finding itself in a precarious financial situation. Financial problems included the following:

- ▶ Deposits into HSCM bank accounts were not being made on time;
- ▶ The hospital lost credibility with certain suppliers;
- ▶ Pay stubs were not available on the planned date;
- ▶ Workers sometimes went for several weeks without being paid;
- ▶ Financial information was not kept confidential.

The Finance Department was not able to generate data (e.g., on the cost of providing exempted services) that could directly inform management decision making. The hospital's accounting software (Quick books) was underutilized, which limited managers' ready access to financial information.

In addition, the department had no internal controls unit, which increased the risk of misconduct or even fraud. The control activity would merit being strengthened by setting up various management supports on all levels (management of pharmaceutical products, management of care, inventory management, etc.).

Prior to 2013, HSCM received a monthly allowance from the CRUDEM Foundation to pay the salaries of full-time employees. Operating expenses and the salaries of part-time employees were paid from the hospital's internally generated revenue. In early 2013, the President of Holy Name Medical Center became the President of the CRUDEM Foundation. He decided all HSCM salaries would be covered by funds transferred from the Foundation and from Holy Name Medical Center. The hospital-based finance staff is responsible for all those funds, including those of the vertical programs.

The general situation of the hospital is that of a hospital that is questioning its sustainability and its positioning within the market and the Haitian health system. Over the past three years, the hospital has made great progress in adopting better practices of management, reporting, follow-up, and evaluation. Nevertheless, it faces serious financial challenges that jeopardize its sustainability, because its operating funds come almost exclusively from the revenues received from patients and from the CRUDEM Foundation, itself funded by donations (please see figures 1 -3). The usual donors are showing signs of decreasing their funding, and the buying power of patients is increasingly precarious. Thus HSCM needs to diversify its sources of revenue.

Therefore, all the actions and activities that have been undertaken within the organization are directed toward interdependent goals, listed below:

- ▶ To improve the quality of care and services of the hospital
- ▶ To increase client satisfaction
- ▶ To increase the percentage of paying clients
- ▶ To offer services that HSCM alone would be able to offer in the area
- ▶ To reverse the ratio of external donation and internal revenues

Tapping the technical expertise within the finance department of the Holy Name Hospital and of the Chief Executive Officer of CRUDEM, financial mechanisms were set up within the hospital to prevent repetition of past discrepancies and irregularities.

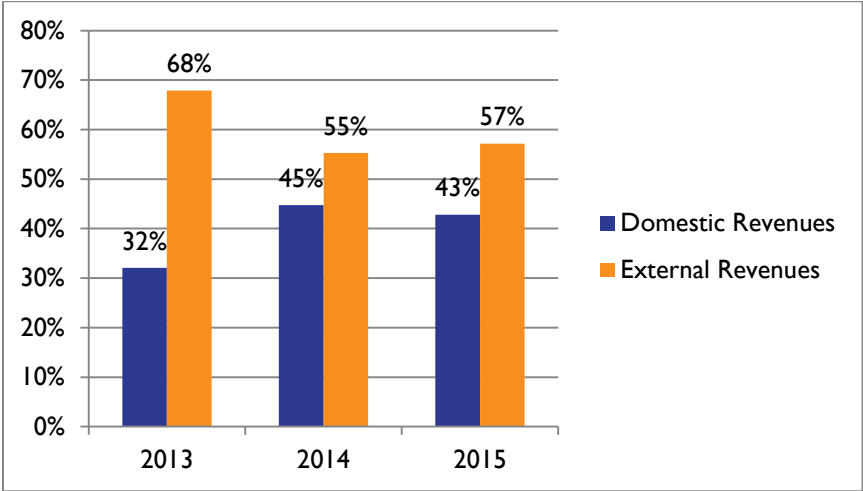
HSCM now has a cash accounting system whose main activities are:

- ▶ Supervising the funds
- ▶ Handling payroll for both full- and part-time employees. Salaries are paid on a monthly basis: salaries of full-time employees are paid on the last Friday of the month and salaries of part-time employees are paid at the start of the following month
- ▶ Entering data
- ▶ Managing debt
- ▶ Producing monthly financial statements

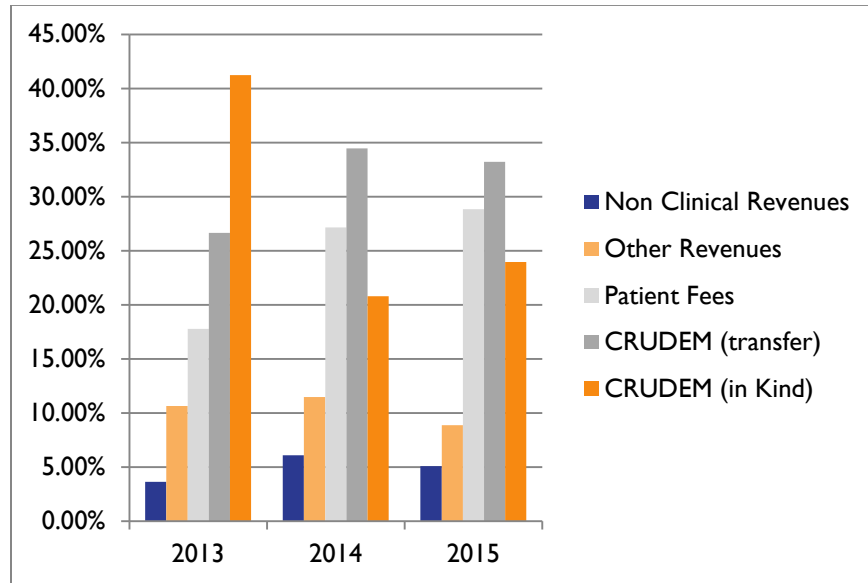
Figures 5 and 6 below show the impact of the efforts that have been made to remedy the chaotic situation that was prevalent within the hospital. All the activities undertaken fit within a logic of a learning organization and process re-engineering, just as those activities are performed with a second perspective, i.e., continuous improvement in quality of services and increase in revenues and mitigation of losses.

Please find following graphs illustrating the financial situation of HSCM from 2013 to 2015:

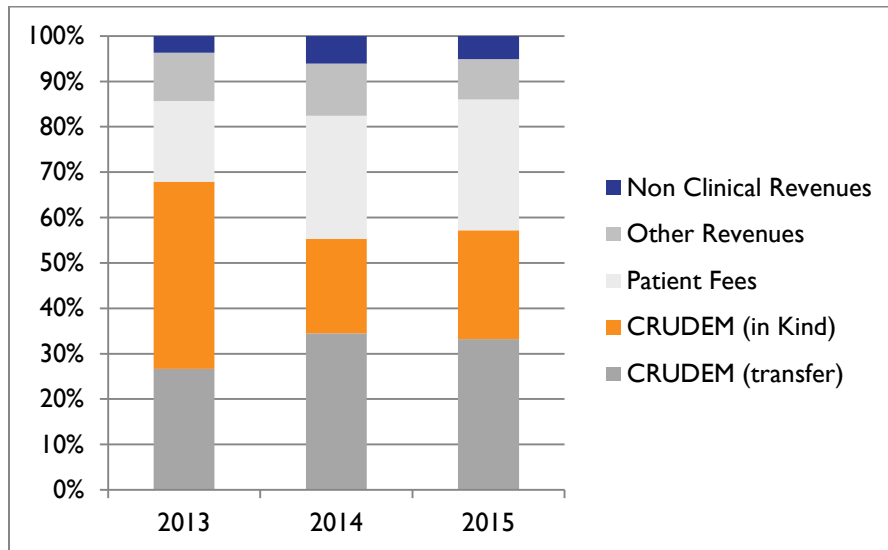
**Figure 1: Revenue 2013 - 2015 by internal or external source**



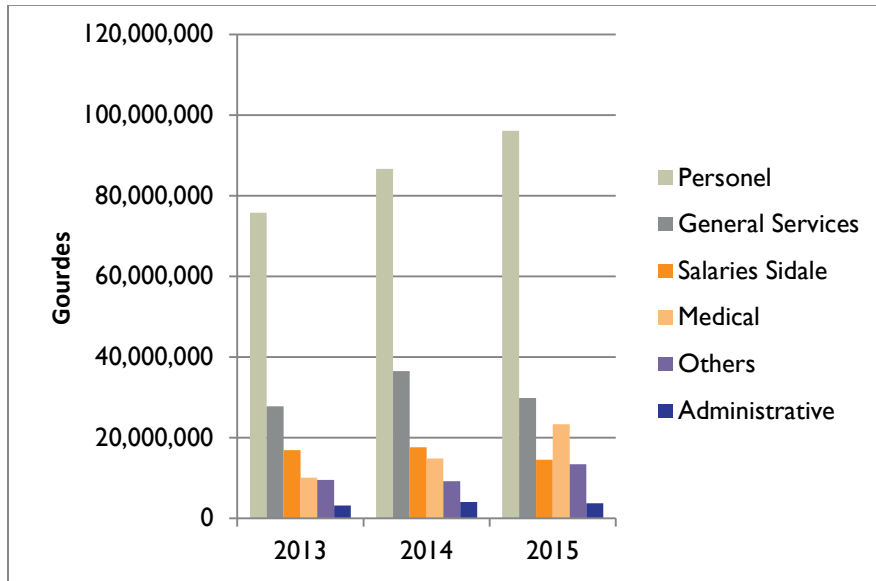
**Figure 2: Revenues 2013-2015 by sources**



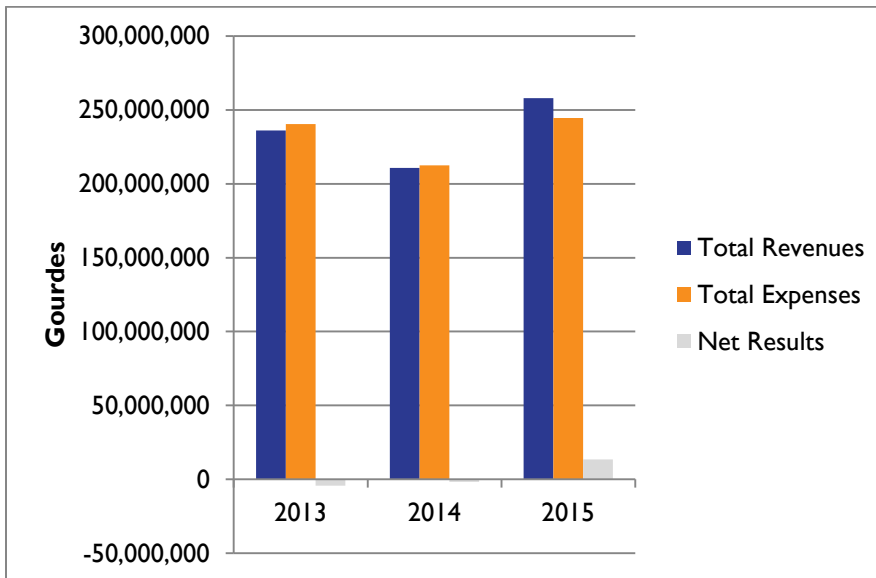
**Figure 3: Distribution by source of revenue in 2013 - 201**



**Figure 4: Expenditures 2013 -2015**

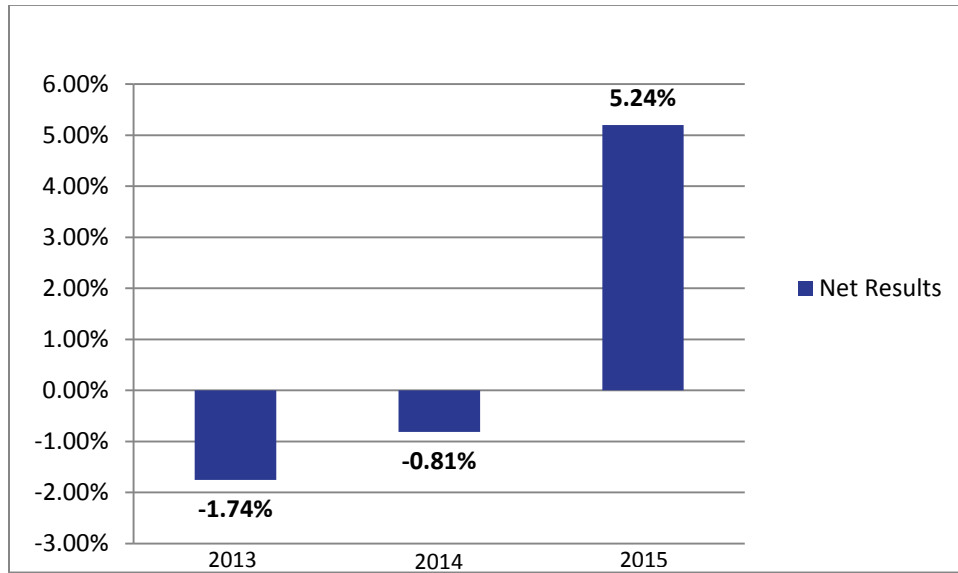


**Figure 5: Nets Results 2013-2015**



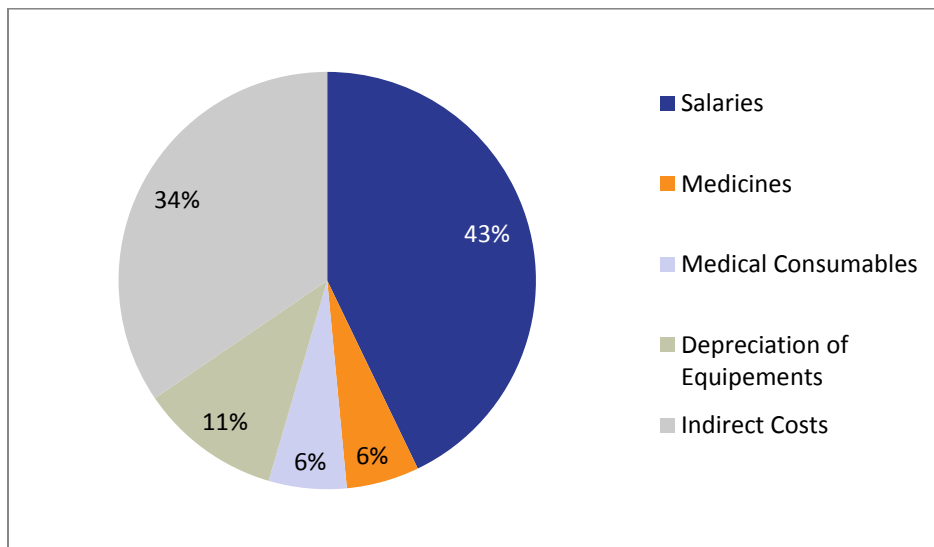


**Figure 6: Net results**

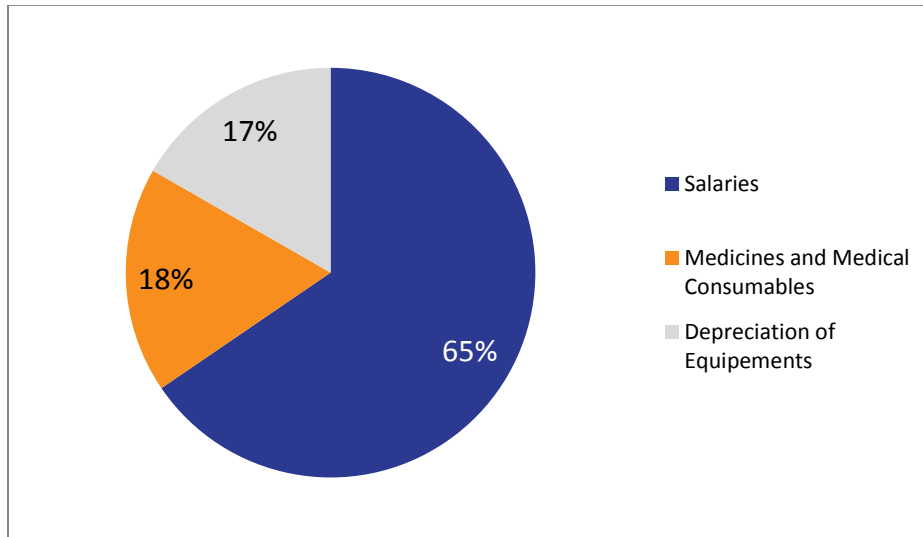


The following two graphs illustrate the distribution of the cost of providing services to HSCM in 2014. See Appendix for detailed estimates of targeted services cost-source analysis HFG.

**Figure 7: Distribution of total hospital costs (\$ 5,154,554 US)**



**Figure 8: Distribution of direct costs (Total: 3,374,358 US \$)**



Source: HFG: Estimates of the costs of HSCM hospital services, March 2016

## 5. STRATEGIC DIRECTIONS

So that it can carry out its mission, HSCM has selected the following objectives for development:

### ***Objective 1: Improve the quality of care and services offered by the hospital as well as client satisfaction***

- ▶ Draw up therapeutic treatment protocols and care protocols for all routine pathologies in order to expand the practice of scientific, evidence-based medicine.
- ▶ Strengthen the Ophthalmology, Orthopedics, and Histopathology services.

### ***Objective 2: Improve the sustainability of the hospital***

- ▶ Increase hospital revenues while ensuring better cost controls.
- ▶ Redefine the various cost centers of the hospital and strengthen the revenue-generating services.
- ▶ Develop fundraising strategies for construction of the new hospital.

### ***Objective 3: Improve the efficiency of the hospital (better use of resources)***

- ▶ Make sure that any contribution of hardware or equipment fits within a philosophy of technology transfer and competency.
- ▶ Establish a hospital information system that makes it possible to improve administrative and financial management to record the clinical and epidemiologic data necessary for performance evaluation.
- ▶ Set up a system to analyze processes and costs that that will make it possible to optimize the use of resources.



## 6. GOALS OF THE BUSINESS PLAN

This business plan must give HSCM a tool that helps it:

- ▶ Better harmonize its fundraising activities at the international level and, to a lesser degree, at the local level;
- ▶ Have convincing data that can be shared with the members of the CRUDEM Foundation and any and all other sponsors or donors;
- ▶ Sensitize and mobilize all staff around the strategies for increasing revenues and mitigating losses (wastage, theft, etc.);
- ▶ Strengthen the hospital's 2016-2021 strategic plan;
- ▶ Have a known roadmap enforceable with all actors involved in HSCM management;
- ▶ Instill the concept of the hospital's sustainability in the organizational culture and have it perceived as a common challenge for everyone.



# 7. STRATEGIES FOR ACHIEVING BUSINESS PLAN GOALS

The executive team of the hospital met June 14-16, 2016, for a workshop to draft the business plan. The workshop was facilitated by a project team from USAID's Health Finance and Governance (HFG) project. Five strategies for improving the financial situation of the hospital were adopted. Two of those strategies aim to increase the domestic resources from private clients and insurance. Two others aim to decrease expenses (or to be more efficient in spending) in particular by streamlining the supply and the usage of inputs. A final strategy supports the implementation of the four other strategies.

These strategies will take varying lengths of time to achieve their goals. However, all can be implemented immediately upon development and approval of a detailed plan for implementation and monitoring

## 7.1 Detailed Strategies

### First Strategy: Development of private clients

#### *Context:*

The pricing of hospital services is based on the clients' ability to pay and does not cover the costs of the services. To increase local financing, HSCM would like to price certain services at cost plus an operating margin. That mark-up would improve the financial sustainability of the hospital.

This strategy is related to the second, in that it requires the hospital to be able to accept insurance.

#### *Goals:*

1. Establish private hospital rooms to attract clients who can pay a higher rate, at a cost plus margin.
2. Strengthen the fund-generating services that the hospital offers.
3. Develop a system of partnerships with private doctor's offices.

#### *Activities:*

#### **Goal 1: To offer patients accommodation in private rooms**

The activities, tasks, persons in charge, and time of implementation are defined as follows:

##### A. Organization and definition of private (hotel) services

- Finalization and installation of the private hospital rooms
  - Person in charge: Dr. Prévil
  - What: number of rooms constructed and furnished
  - When: in 6 months - February 2017

B. Estimated operating costs (energy, maintenance, etc.)

- Who: Ms. Claire
- When: October 1, 2016

C. Identification and selection of staff:

- Clinical staff (doctors, nurses, physical therapists)
  - Who: Dr. Brisma
  - When: October 1, 2016
- Support staff
  - Who: Mr. Antonio
  - When: October 1, 2016

D. Definition of the operating terms

- Rate of the room (private and semi-private)
  - Who: Dr. Prével
  - When: in 3 months
- Incentivizing of staff
  - Who: DE, DM, DF, DI
  - When: October 1, 2016

E. Definition of the private circuit at HSCM

- In process: October 2016

**Goal 2: To strengthen fund-generating services**

The activities and time frame will include:

- A. Identification of the services (imaging, histopathology, oxygen)
- B. Market study (number of service providers found), rates charged:
  - Who: M. Gary
- C. Real costs of those services (availability of statistical data)
- D. Pricing (volume of the market and production costs)
- E. Development of procedure for selling the services
  - Who?
  - Duration: 6 months – Ends January 2017



### ***Goal 3: To develop a system of partnership with the local private medical sector***

The activities, tasks, persons in charge, and implementation time frame will include:

#### **A. Market study (number of partners found)**

- Who: Dr. Ogedad
- Duration: 3 months - End October 1, 2016

#### **B. Calendar of marketing activities:**

- Open-door day, dinner, brochures
  - Who: Dr. Pierre Louis
  - Duration: 6 months
  - Indicators: number of activities performed
- Development of the partnership protocol by service
  - Who: Dr. Prével, Mr. Alexis
  - Duration: 6 months to 1 year - January 1 to June 1, 2017 (maximum to December 31, 2017)

#### **C. Plan for evaluating the development of the partnership with the private sector**

- Follow-up plan
- Evaluation of performance
- Evaluation of benefits
  - Who: Abdel, Georges, Rachelle

## **Strategy 2: Developing (setting up) the insurance system**

### ***Context:***

Health insurance is hardly developed in Haiti. However, there is a state insurance still at a relatively embryonic stage which covers the formal sector - the OFATMA. Individual private insurance also exists. The hospital has already signed a contract with the OFATMA.

### ***Goals:***

1. To increase hospital revenues (earnings).
2. To decrease the percentage of medical transfers abroad.
3. To offset exemptions.

## Activities:

The activities, persons in charge, and implementation time frame are as follows:

- A. Development of managerial capabilities
  - Development/modification of the management tools of health information and financial information.
    - Who: Emmanuel, Gary
  - Sensitizing and training of staff (cash - files - finances)
    - When: 2 months - December 1, 2016
- B. Pricing
  - Who: Georges
  - What: To update the reimbursement process (recovery)
  - When: 3 months - October 1, 2016
- C. Consideration of other insurance
  - Who: Brisma, Georges
  - What: To make contact with the various local insurance companies
  - When: September 2016
- D. Marketing for the hospital - should be linked to the first strategy
  - Who: Georges, Dr. Prével
  - To sell the services that HSCM alone is able to offer
  - When: October 2016
- E. Analysis of information (follow-up)
  - Who: Gary
  - What: To become acquainted with the reimbursement process: package of services offered (negotiation), analysis of the various cards depending on the product presented
  - When: Semi-annually
- F. Use of insurance (monitoring of insurance by the insured)
  - Who: Gary and Dr. Prével
  - What: Evaluation of the package (what to offer)
  - When: Semi-annually

### *Impact/synergy:*

- ▶ Change in perception: Reception and treatment of clients
- ▶ Approached by other insurance (increase in clients, reduction in financial deficit)
- ▶ Bringing strategies into correlation: analysis of the patient circuit, for example: private pricing and insured package of services
- ▶ Management of purchasing and procurement

### *Indicators:*

- ▶ Availability of statistical data (increase in revenues and reduction in expenses) linked to the Strategy 5: Development of an integrated information system
- ▶ Meeting deadlines
- ▶ Improvement in the information system
- ▶ Satisfaction of the clients

## Strategy 3: Enhancing purchasing function for lower-cost purchases and supplies

### *Context*

HSCM has recently strengthened its purchasing function. Such efforts must continue over time with the goal of reducing expenses.

### *Activities:*

- A. Activity 1: Real estimate of needs (consumption, inventories, reports of stock)
  - Who: Managers of the services
  - Time frame: One month - August 1, 2016
  - Indicator: Data on consumption/services
  - Impact/synergy: Collaboration of the various actors
- B. Activity 2:
  - Identification of suppliers (local, national, and international)
  - Visits and contact (in person and over the telephone)
    - Who: Purchasing manager
    - Time frame: 1 month - August 1, 2016
    - Indicators: Information provided (produced available, prices, people responsible, quality)
    - Impact/synergy: Transportation, housing, per diem

C. Activity 3:

- Creation of a database of suppliers
- Making a comparison between suppliers according to the products
- Excel file (name of the company, address, telephone, e-mail, person in charge, purchasing area)
  - Who: Purchasing section (purchasing assistant)
  - Time frame: 1 month - August 1, 2016
  - Impact/synergy: Use of a certificate

D. Activity 4:

- Choice of suppliers
- Needs, price, quality, availability, delivery time frame
  - Who: Purchasing department
  - Time frame: Ongoing
  - Indicator: Pro forma, requisition sheet
  - Impact/synergy: Analysis, quality, communications, negotiation, urgency

E. Activity 5:

Development of special contracts with certain suppliers (providers of internet services; fuel, gas, propane; etc.)

- Who: Administrative director
- Time frame: In progress
- Indicators: Benefits offered, quality, price
- Impact/synergy: Negotiation

## Strategy 4: Streamlining of the use of inputs in the services

### *Context:*

The consumption of inputs in the services is poorly controlled even though there are procedures and tools for managing inventories of inputs. An effort will be made to implement better management in the aim of economizing.

To show the usefulness of the effort to be made, the Internal Medicine department will host the pilot of this initiative.

## Activities:

### A. Activity 1:

- Meeting to get up and running
  - Who: Team leader: Marcelle/Prisma
  - Time frame: June 17, 2016
  - Indicators: Report (report on the meeting)
  - Impact: Motivation and sensitization of the persons in charge
- Sensitization/review of the available management tools
  - Who: Fernande
  - Time frame: June 21, 2016
  - Indicators: Percentage of tools reviewed, activity reports drawn up
  - Impact: Motivation and sensitization of the persons in charge
- Each department identifies the inventory managers and makes them aware of their responsibilities
  - Who: Department head or deputy
  - Time frame: June 17, 2016
  - Indicator: Filled-in information tool
  - Impact: Motivation and sensitization of the persons in charge
- Doing the departmental inventory:
  - Who: Department deputy
  - Time frame: Continuous, before each week
  - Indicator: Filled-in information tool
  - Impact: Motivation and sensitization of the persons in charge

### B. Activity 2:

- Tracking of stock
  - Who: Department head or deputy
  - Time frame: When stocks are received
  - Indicator: Inputs-reception sheet filled in and signed
  - Impact: Availability of inputs
- Storage of stocks
  - Who: Department head or deputy
  - Time frame: When stocks are received
  - Indicators: Control of inputs and sheets filled out
  - Impact: Availability of inputs

- Recording of transactions on the corresponding tool (inputs and outputs)
  - Who: Service provider
  - Time frame: At each transaction
  - Indicator: Daily consumption sheet filled out
  - Impact: Better control/involvement
- Weekly consumption report documentation filled out
  - Who: Department head
  - Time frame: Each week
  - Indicator: Consumption report submitted
  - Impact: Keeping better track of consumption

#### C. Activity 3:

- Drawing up the monthly report
  - Who: Head of the inventory-tracking department
  - Time frame: Each month
  - Indicator: Monthly report produced
  - Impact: Better forecasting
- Compilation of monthly reports
  - Who: Inventory manager
  - Time frame: Each quarter
  - Indicator: Evaluation report
  - Impact: Proper data management

#### D. Activity 4:

In addition to the Internal Medicine department, the effort also will be instituted in the pharmacy, in view of its importance in the financial situation of the hospital. That will involve:

- Making of a grid for tracking and evaluating pharmacy activities:
  - Who: Inventory manager
  - Time frame: Each quarter
  - Indicator: Evaluation report
  - Impact: Knowledge of the level of consumption

## Strategy 5: Setting up an efficient hospital information system

### Context:

To improve the hospital's management, a more effective health and financial information system is necessary. Such a system will also be essential for effective management of private clients (Strategy 1) and insured patients (Strategy 2).

### Goals:

1. To improve administrative management
2. To improve financial management
3. To facilitate the recording of clinical data

### Activities

#### A. Activités 1

- Evaluation of the pre-existing system (July-September 2016)
- Development of a plan to:
  - Set up a manual system of orientation (patient circuit): By December 2016
  - Set up a data management system. Duration 6 months to 1 year
  - Restructure the archives: Duration 2 to 3 years
  - Set up a unified information system: Follow-up with the Ministry of Public Health and Population (*Ministère de la Santé Publique et de la Population, MSPP*) and the Catholic Medical Mission Board for the software. Duration (long term)
    - Who: Cash, records, support staff, accounting, department heads, administration

#### B. Activity 2:

Although the strategy of having an integrated health and financial information system will be realized in the medium term (3-5 years), it is necessary to now introduce management tools for better management in the interim.

- To equip the hospital with a standard data collection software (SPSS). Date: August to December 2016.
  - Training of staff (for one week)
  - Who: Various department heads/IT department

- Indicators:
  - Client satisfaction
  - Financial report easier to draw up
  - Better financial control, less loss
  - Less congestion
  - Patient better informed
  - Volume of records
  - Fluid browsing through files
  - Complete entry of data
  - Updating of indicators
  - Viewing of information
  - Easier declassification
  - Fewer unfindable records (Percentage of unfindable records)
- Synergy with other strategies: Private service and insurance



## 8. CONCLUSION

This HSCM business plan takes into account the current context and relies on existing analyses and efforts. It was developed through a participatory and consensus-building approach with technical assistance from the HFG team. Its two essential goals are to decrease HSCM's dependence on external financing sources and to improve the efficiency and quality of the services HSCM offers. To achieve these goals, five strategies have been identified; the results of their implementation will depend on the time frame assigned to them. The two strategies that are intended to save money by improving the purchasing and management of inputs (strategies 3 and 4) could yield results in the short term. The other three strategies (strategies 1, 2, and 5), aimed to increase revenue from local sources, will bear fruit in the middle and long term and so will require more sustained efforts. Effective implementation as proposed for all five strategies will be essential for the sustainability of the hospital



## ANNEX: COSTS OF SELECTED SERVICES

Pathology	Medical Staff	Medicines and consumables	Laboratory Tests	Imaging Tests	Surgical interventions	Hospitalisations Average Length of Stay	Hospitalisation	Totals Cost
Severe Pre-Eclampsia	\$ 47.87	\$ 77.50	\$ 65.19		\$ 339.49	5	\$ 202.81	\$ 732.86
Cephalopelvic disproportion	\$ 18.58	\$ 44.81	\$ 28.76		\$ 339.49	3	\$ 121.69	\$ 553.34
Mother-fetus infection	\$ 31.44	\$ 45.12	\$ 98.24	\$ 33.55		7	\$ 237.92	\$ 446.26
Severe prematurity	\$ 117.95	\$ 162.06	\$ 72.77	\$ 33.55		21	\$ 713.75	\$ 1,100.08
Cerebrovascular accident	\$ 55.11	\$ 191.55	\$ 30.61	\$ 68.96		7	\$ 282.90	\$ 629.11
Cardiac decompensation	\$ 56.01	\$ 39.04	\$ 60.05	\$ 66.49		8	\$ 323.31	\$ 544.90
Fracture of femur	\$ 42.19	\$ 204.60	\$ 28.02	\$ 85.73	\$ 430.45	15	\$ 1,193.07	\$ 1,984.06
Closed leg fracture	\$ 28.13	\$ 144.17	\$ 28.02	\$ 68.96	\$ 430.45	10	\$ 795.38	\$ 1,495.10
Open leg fracture	\$ 60.04	\$ 234.80	\$ 28.02	\$ 68.96	\$ 430.45	20	\$ 1,590.76	\$ 2,413.03
Intestinal obstruction	\$ 46.71	\$ 115.60	\$ 62.73	\$ 54.30	\$ 407.99	10	\$ 917.80	\$ 1,605.12
Generalized peritonitis	\$ 69.57	\$ 200.99	\$ 99.98	\$ 33.55	\$ 426.56	12	\$ 1,101.35	\$ 1,931.99

