

The Commonwealth of the Bahamas



Selective Privatization: ***A Uniquely Bahamian PPP***

Robin Roberts MD MBA
Consultant Urologist



OVERVIEW: PPP

- 1. HC: Culture, System, Revolution**
- 2. Physician Alliance Diagnostic**
- 3. Physician Alliance PMH – Private**
- 4. Evolving PPP proposals**
- 5. Lessons learned**



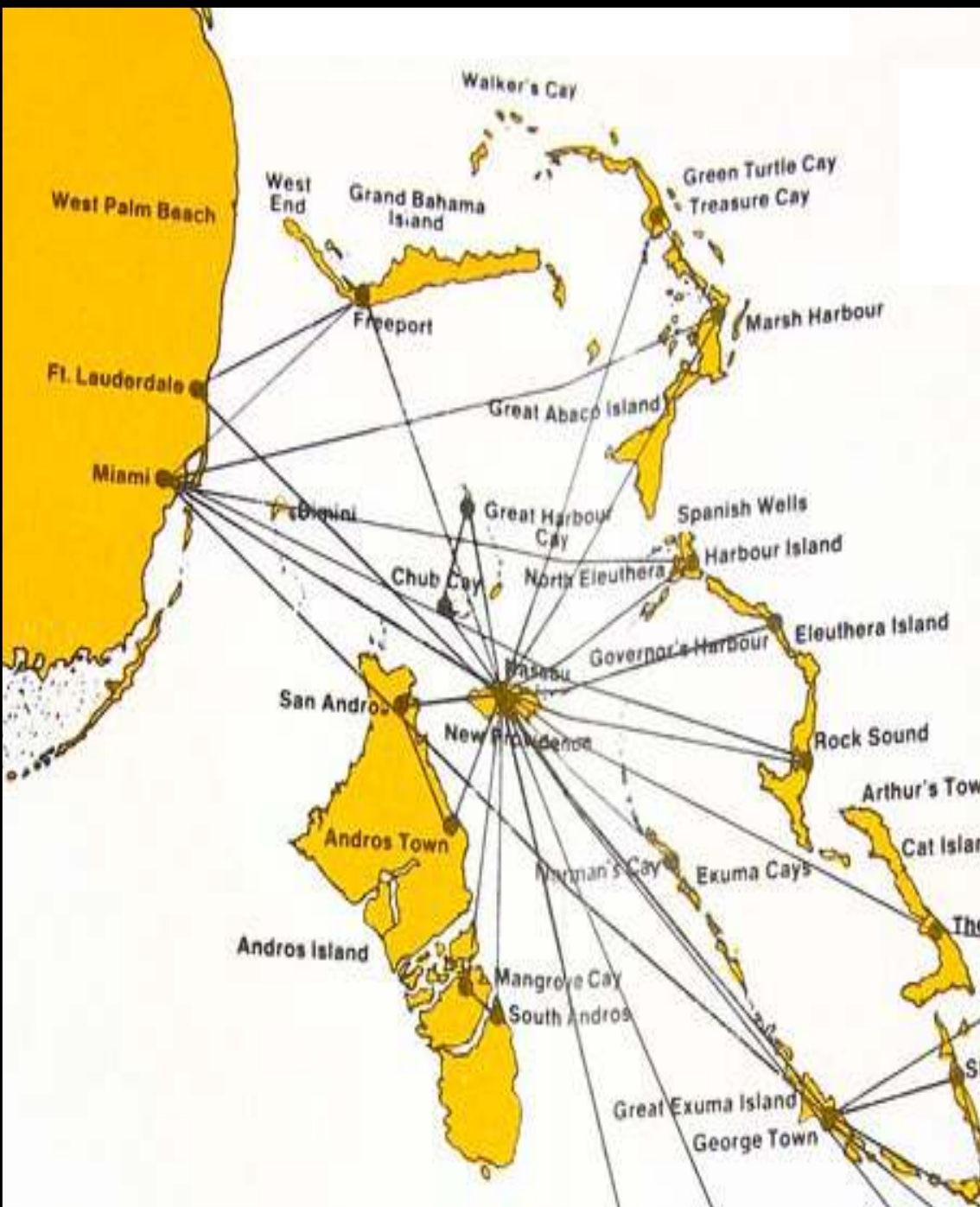
The Bahamas

Appetite for American Healthcare

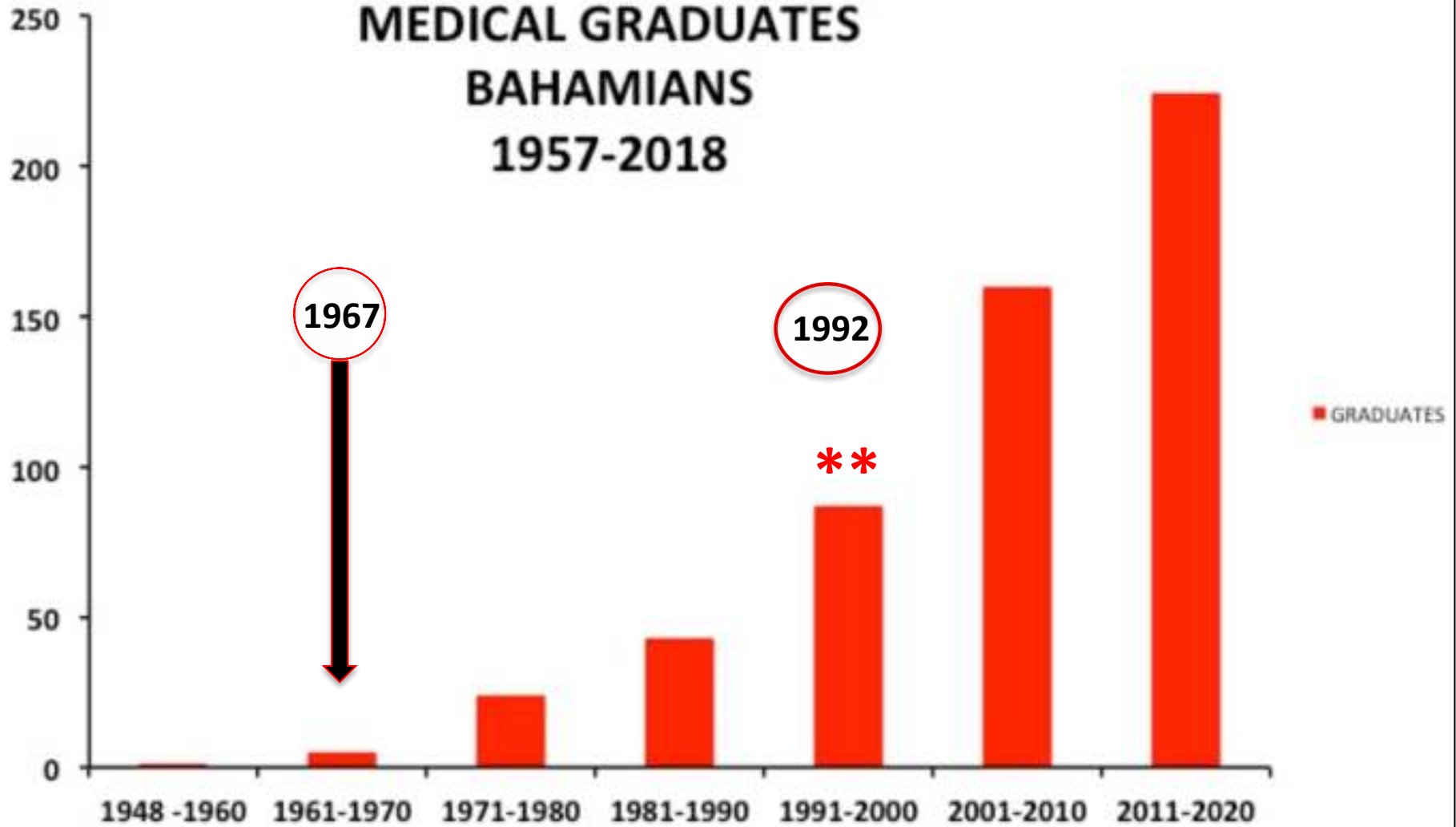
- 15 to 30 Min by Airplane - Daily
- No Visa requirements
- \$Bah = \$US
- USA – HC Markets daily All media
- Bah - Within Top 10 Tourist to FL
- ~ \$500M + in HC



- American Trained MD
- MD Compensation – USA-based
- Facility Ambiance – USA-based
- JCI accredited Hospital
- Benchmark for care - USA



MEDICAL GRADUATES BAHAMIANS 1957-2018



1992



No Ultrasound Machines in PMH!!

Bahamas Healthcare System

- British Colony Pre-NHS 1948

- **Public HC Funding Treasury Consolidated**

- Basic Public Health & Clinical 1⁰, 2⁰, 3⁰
- 80% BUDGET – EXPENSES: SALARIES
- 20% BUDGET – RECURRING EXPENSES
- **NO CAPITAL ALLOCATION**
- Care for Indigent, senior citizens
- Revenues – Nominal Gazette fees (10%)



Physician Alliance: 1994

- **MDs committed to provide US**
 - Antenatal patients
 - PMH Public Pts
- **17 Government Consultants**
- **\$5000 Investment - \$85,000**
 - 3 Ultrasounds
 - Trained 2 Techs
 - House staff OB/GYN Mds

WHY??



Physician Alliance

- **First Generation Physicians – Majority Rule**
- **An act of patriotism – 91% returned**
- **Duty to care**
 - **Role of Access, Availability of affordable care**
 - **An issue of Moral injury**
 - **Specialty trained MDs**



The PPP “Contract” Principles

Physician Group

- Capital
- Equipment
- Supplies
- Manpower
- Maintenance
- Management



Hospital Adm.

- Real Estate
- Utility
- Patients

- No Financial Liability
- Charge Nominal Fees
- No One denied Services
- Indemnify the Govt.
- Financially Accountable
- Any Profits – 50:50

Physician Alliance Diagnostics

- 1 year operations – No wait list!
- \$800,000 Donated to PMH
 - Cash Flow
- Dividends 50:50 - \$217,890

(We reimbursed ourselves)



PPP CONCEPT – SELECTIVE PRIVITIZATION

- **CARDIOVASCULAR – MIN. INV. DIAGNOSTICS**
 - ECHO-CARDIOLOGY
 - CARDIAC STRESS TESTING
- COLPOSCOPY
- **TO COME – CT SCANNER**

-
- **GI Endoscopy**
 - **Urological Endoscopy**
 - **Laparoscopic Surgery**
 - **Equipment User Fee (20%)**

Robin Hood
Syndrome



PPP CONCEPT – SELECTIVE PRIVITIZATION

Political Challenges

- Not a formal Government Agency
- No collection of Revenues Public Pt.
- Enterprise terminated!



Bahamas Healthcare System

- British Colony Pre-NHS 1948

- **Public Healthcare Services**

- Public Hospital
- Public Clinics

- **Private sector HC services:**

- Private Hospital & Private Doctors Offices
- **Public Hospital – Private Ward Services**



PSW Renovations



- Selective Privatization Re-emerged
- PSW Labor Delivery Unit

- 2 Small operating Rooms
- Recovery Room
- Utilities
- PMH Nursing & Allied Staff

- Totally Renovate & Equip
- Manage
- Indemnify
- Share Profits 50:50
- Public Pt Access in Emerg.

- ❑ PA Raised \$600,000
- ❑ 40 Consultants
- ❑ HDA

OPPORTUNITY



Manage Private Wards

- Private Surgical Ward (15)
- Private Medical Wards (15)

PWS Services

- **Niche Market: Affordability**
- **Ambiance & Efficiency**
- **Concierge Services**
 - **Nursing, Restaurant, TV**
- **Responsive to the Internal Customer**
- **Pt. Survey & Customer service training**
- **Maintenance Records**





Bedside Nursing:

- **1 Nurse – Max 3 patients**
- **Private Duty/Agency Nursing**
- **Midwives for delivery**

PWS: Services

• Registered Nurses	4
• Anaesthetic Technician	1
• Business Office Clerks	2
• Maintenance/Handyman,	1
• Ward Clerks	5
• Chefs/Bakers	5
• Kitchen maids	5
• Housekeeping staff	4
• Patient Escort staff	1
• Total	29



PPP: Service Excellence

- **PMH WARD PROTOTYPE**

- **Orientation for Nursing graduates**
- **Training for Clinical Promotions**
- **Dictation Services → EMR**

- **PMH Revenues - Direct**

- **Purchase Supplies**
- **Purchase Medications**
- **All Gazette fees - room**
- **All Labs & Imaging**
- **OR Utilization in Emerg.**
- **Pharmacy**





Physicians Alliance
Celebrates ten years of service to

the people of The Bahamas

"A True, Public Private Health Care initiative"

1996 - 2006...

*Affordable, Quality Private Health Care
at the Princess Margaret Hospital
And a lot more.....*



**Physicians Alliance Limited
Executive Summary:**

**Advancing healthcare in the
Bahamas: A Public Private
Partnership Healthcare
Initiative at the PMH
1994-2022**

MOU – 7YR.



Our Performance

PPP – 25 YEARS

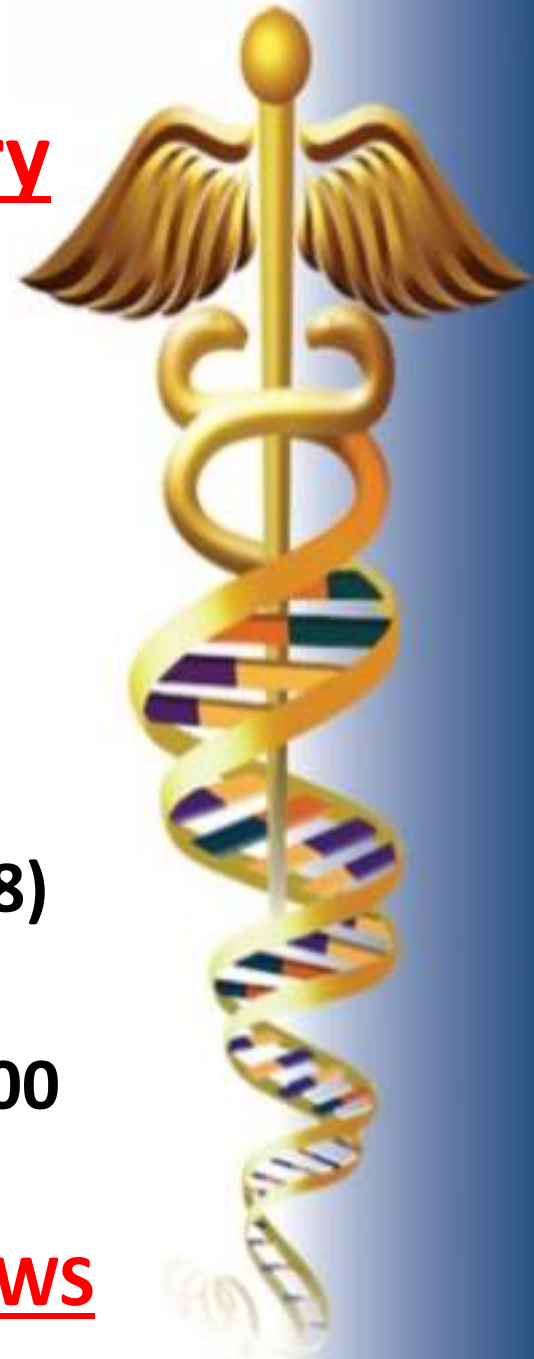
- **Occupancy rate: 80%**
- **OR: 18 hrs./day, Half Day Sat.**
- **Surgical Procedures 1500/yr.**
 - **No Trauma,**
 - **Minor Neurosurgical, Orthopedics**
 - **Limited Majors**
 - **Limited Emergencies – CS**
- **Post Covid**
 - **↓Staff, 8hour Days, no weekends**



Private Ward Services

Financial Performance Summary

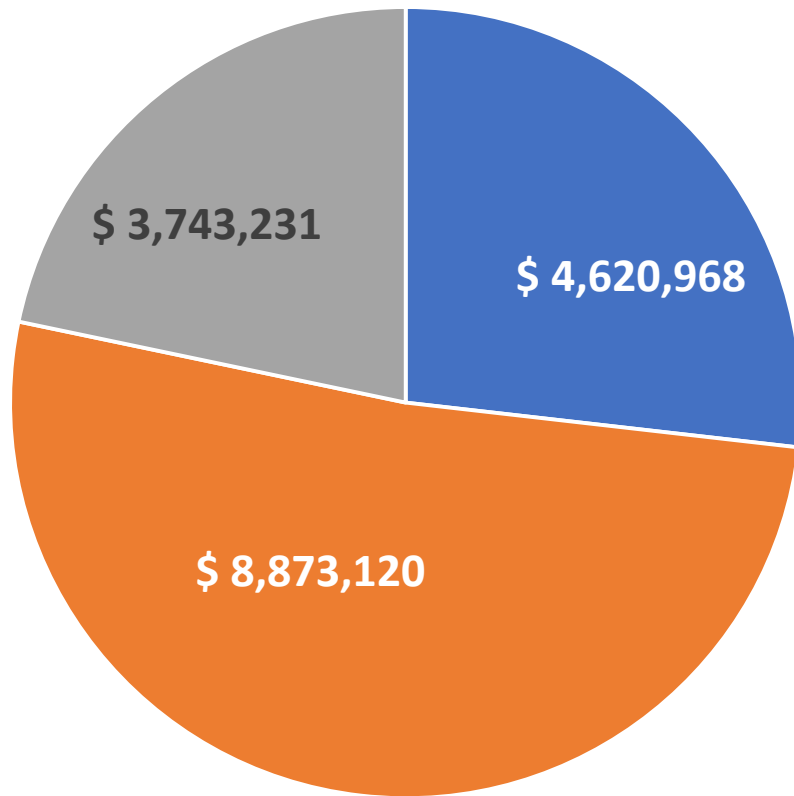
1996 - 2021



Surgical Suite Revenue.	\$63,618,998
Surgical Suite Expenses.	\$57,149,068
Private Ward Fund Rev.	\$46,845,332
Private Ward Expenses.	\$67,529,800
Private Ward Deficit	(\$20,684,468)
MOH/PHA Profit Payment.	\$4,561,822.00

Hospital General Revenues **40% PWS**

**Private Ward
Nursing Expenditure
1996 - 2021**



■ Overtime ■ PDN ■ Direct Nursing Salaries



Total Nursing Expenditure 1996 – 2021:
\$17,237,319

Private Ward Nursing OT 1996 - 2021

• Staff Shortages	\$2,773,583
• Staff Illness	\$480,965
• Staff Emergency	\$11,336
• Shortage of PDN	\$558,975
• Public Holidays	\$89,902
• On Call	\$706,207
• Total	\$4,620,967



How Did we last 25 years?

- **Accountable – annual external audits**
- **Asset: Physical Plant – Ambiance & Service**
 - **Maintenance and Supplies**
- **Asset: Saved them money – Nursing & PW Infrastructure**
- **Asset: Profitable for them – 40% of Total revenues**
- **No Financial liability – Capital Investment**
- **No Legal Liability**
- **Pt Services Accessed/Available/Appropriate/All**

We were Great to the Surgeons & Anesthetists





PA is a
gracious
corporate
citizen...

Donations 1993 - 2021

Category of Grants & Donations	
CME & Conferences	\$56,302.15
Medical Association of The Bahamas	\$35,184.35
Nursing CME	\$43,731.68
Surgical Technology Program	\$26,876.35
Let's Talk Health Radio program	\$71,906.25
Summer Students Program	\$514,829.87
Junkanoo	\$54,000.00
Bahamian Sporting Activities	\$11,380.00
Community Corporate sponsorships	\$228,115.89
Direct Contributions to PMH/PHA Special Initiatives	\$125,197.47
TOTAL	\$1,167,524.01



PMH PRIVATE SERVICES: RENOVATIONS PROJECT

- Design & Build, Equip.
- Maintain & Operate.
- No Govt. financial liability
- Indemnify Govt.
- Share Profits 50:50
- Full Accountability & Transp.
- Govt. Real Estate & Utility
- 20 yr. Term Contract

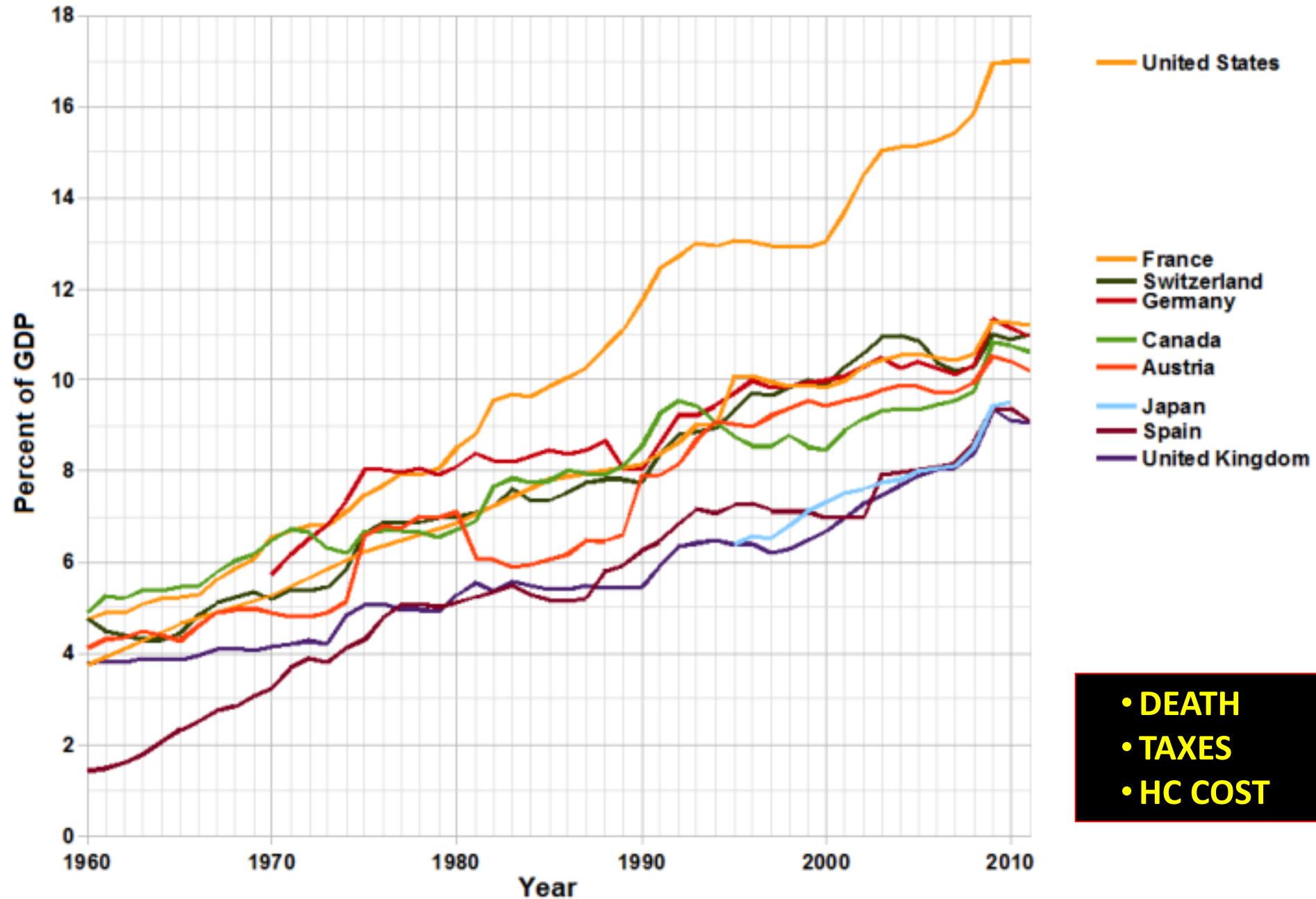
No Political Support & Approval



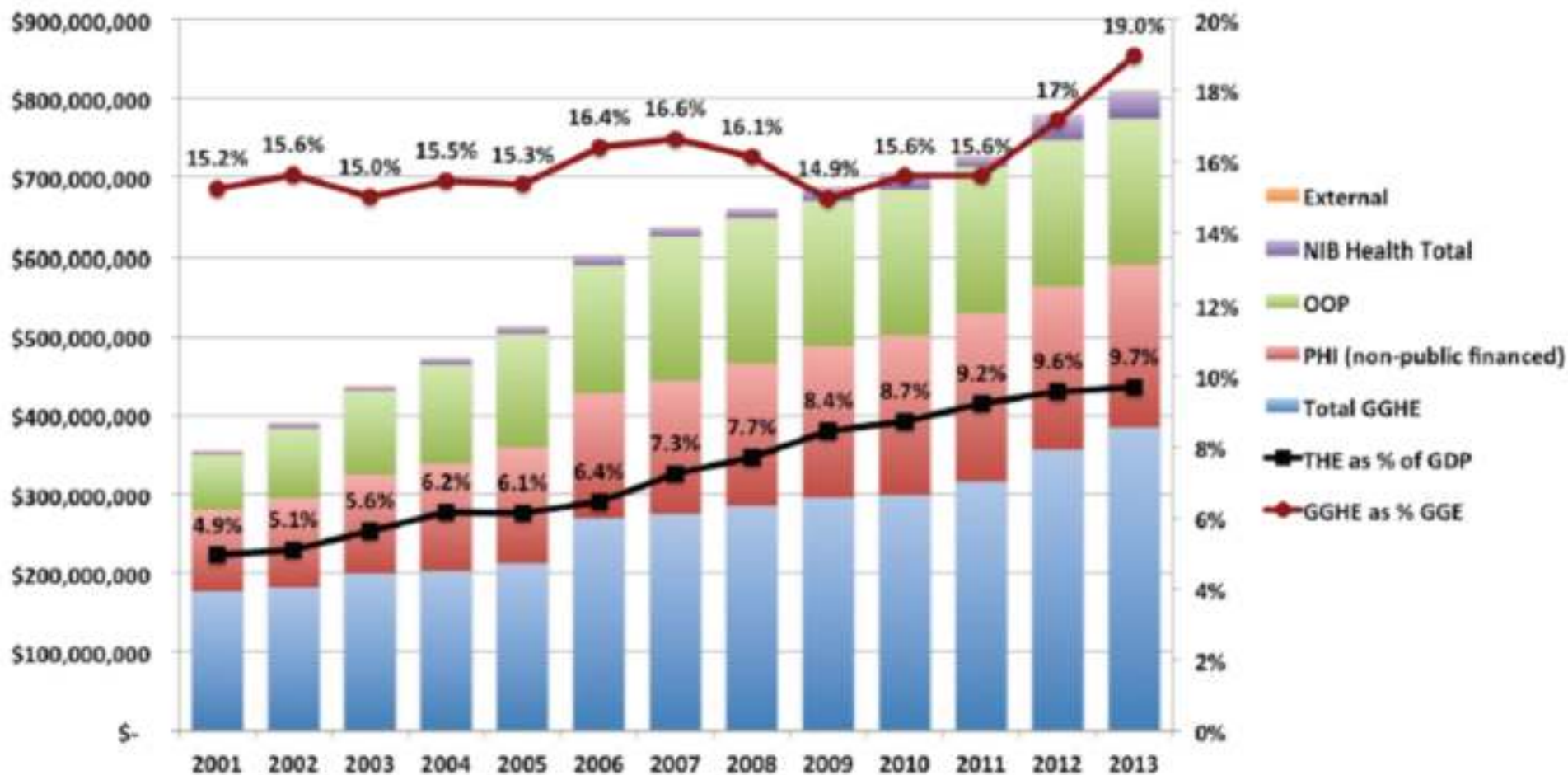
\$12M



Total Health Care Cost as Percentage of GDP



Total Health Spending in The Bahamas: Doubled in the last 12 years



PPP: A New Paradigm

- HC system Out of Date
- Inefficient, Poor outcomes
- Non revenue Generating
- No capital
- Unresponsive modern HC market

- **Responsive: rapidly changing expensive new technologies**
- **Frequent Upgrades**
- **High Maintenance**
- **Concierge services**

- Popln. Expectations & Demanding better:
- ASTEEEP
- Relief from Financial Toxicity & ↑PHI
- Political promises of better
- Global Call - UHC



Public Private Partnership

- *A cooperative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards.*

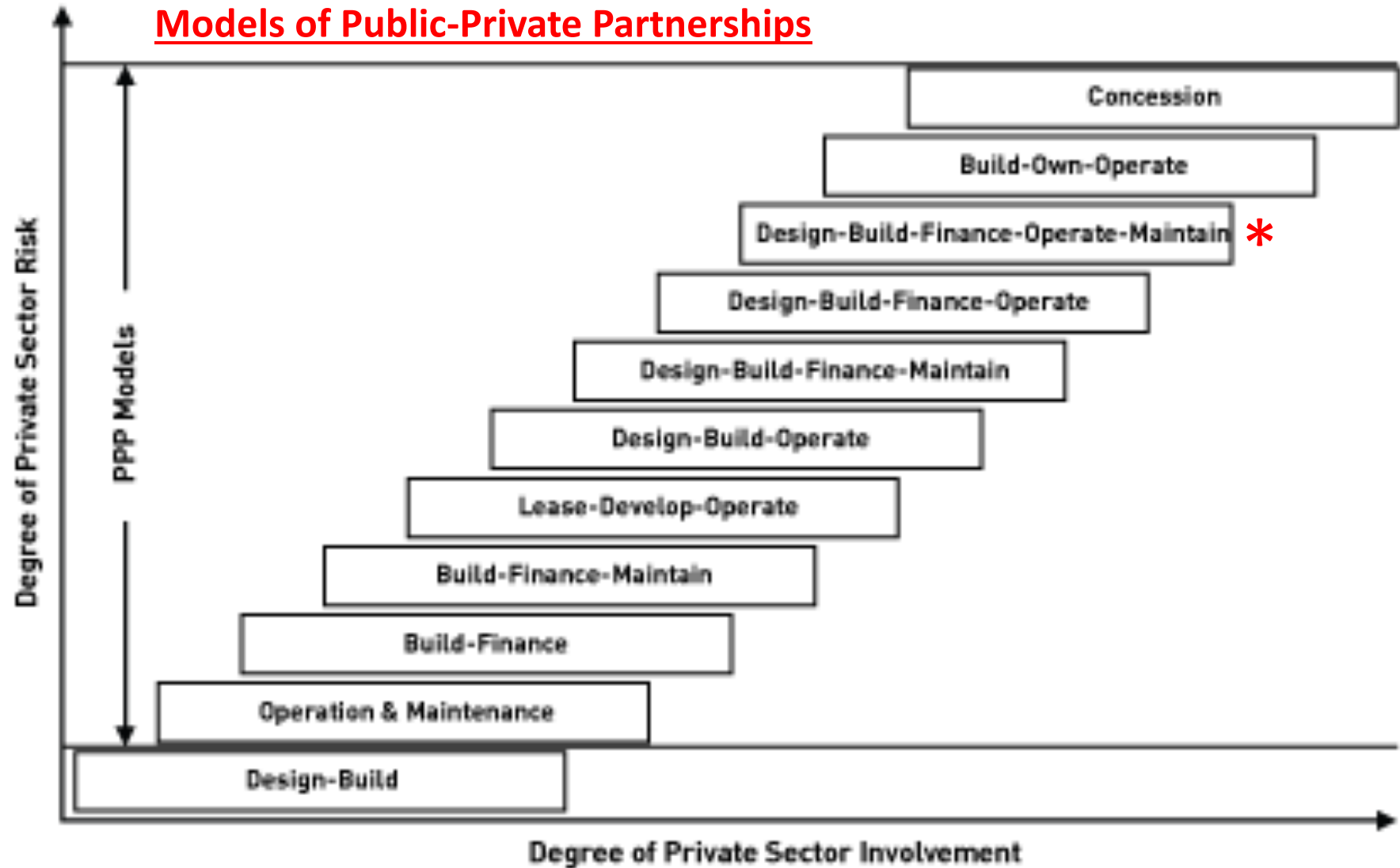
- Finance or Lease
- Design & Build
- Operate & Maintain

- Access to Capital
- Advance Public Good
- Good Pt. Outcomes



The Scale of Public-Private Partnerships: Risk Transfer & Private Sector Involvement

Models of Public-Private Partnerships



Partnered Care in The Bahamas: A Model of Advanced Healthcare Delivery for Developing Countries,

C Brown¹, C Sin Quee¹, H Spencer², R Roberts³, H Coleman¹, B Francis¹, C King¹

West Indian Med J 2006; 55(1):31



50% Costs

The Private Partner

- Capital & Expertise
- Efficiency & Innovation
- Best Outcomes
- Value
- “Concierge services”



Why PPP Don't Work By DAVID HALL, PSIRU

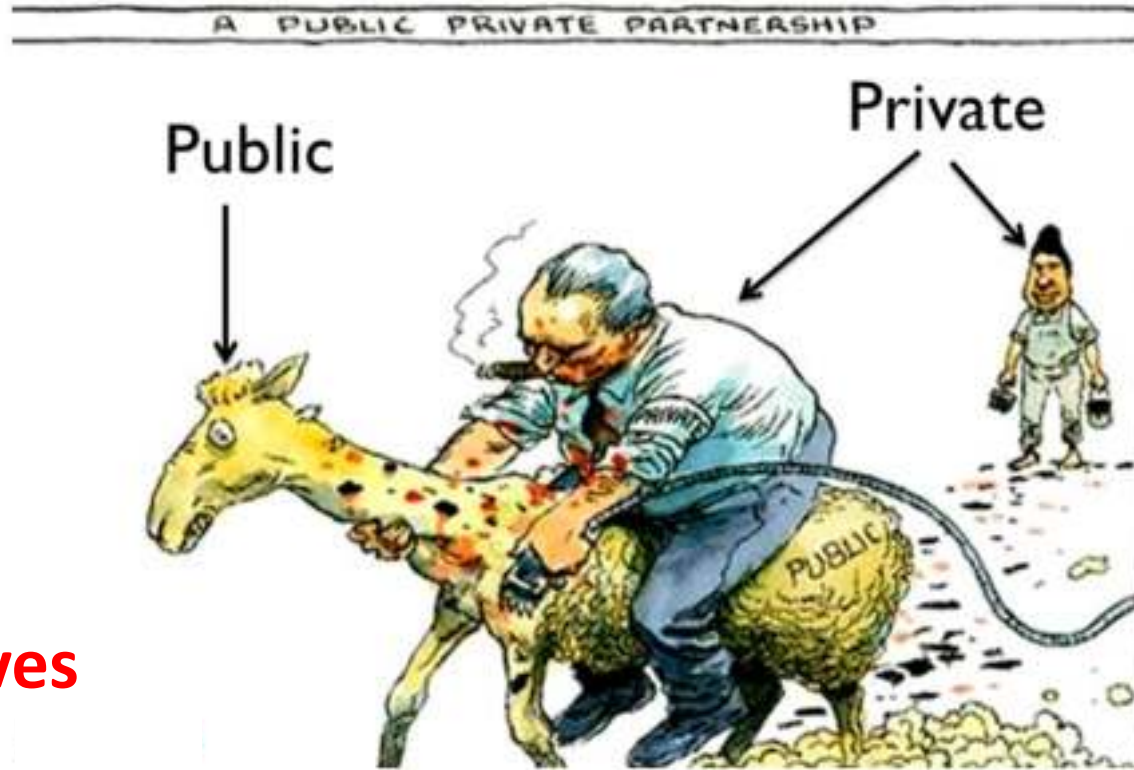
“History Repeated : Why PPP are not the solution”

EURODAD DECEMBER 2022

(Queen Mamohato hospital in Lesotho)

“Overpriced and Underwritten: The Hidden Cost of PPP NHS venture into PPP 1997 – 2010” BANKWATCH Network Report:

- Profit Driven
- Shareholders accountability
- Long term favorable contracts to themselves



Govt Brings Value Too!

- **Government entitled to a share of the profits**
 - Private Partner brings Capital
 - Govt Bringing patients – what is the value here?
 - Marketing, Advertisement – guaranteed patients!
 - HC is a Public Good – What/where is the corporate responsibility?
 - Tax Concessions – Real Estate & Utilities
- **Politics:**
 - In the contract negotiations
 - Fairness to both partners



Conclusion

1. **A novel Physician-driven model PPP**
 - Vested interest
 - Conflict of interest disclosure – Accountability & Transparency
 - **Inherent Duty, Obligations & Responsibility “6As”**
2. **MDs Engaged in the Hospital management**
3. **Opportunity**
 - To direct & supply our service resources
4. **Recognizes the Public value & contributions**
5. **Akin to a non-for-profit entity – reinvesting**
6. **Don't need to own the service to access it.**
7. **Negotiate on Fix Costs = Economies of Scale**





“We believe that selective privatization has advanced health Care delivery in the public institution and has contributed to the community’s positive perception of the public health care facility; simultaneously it has fostered physician involvement in the hospitals strategic planning and implementation of patient- related health care services.”



We Struck Oil in our own Backyard!