

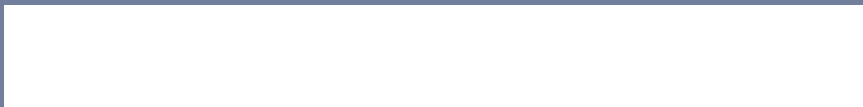


# VISIONARY HEALTHCARE SOLUTIONS

2019 ANNUAL REPORT



*St. Maarten Medical Center*



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## REPORT OF THE SUPERVISORY COUNCIL

On June 18, 2020 the Supervisory Council of the St. Maarten Medical Center (SMMC) approved the Consolidated Financial Statements for 2019. The external auditor BDO St. Maarten B.V. audited the Consolidated Financial Statement 2019.

With the implementation of the new statutes, which were approved late 2018, the Supervisory Council consists of seven members. Of the seven members, one is appointed by SZV and one by the Ministry of VSA. Furthermore, the term of Supervisory Council membership was extended from three years to four years.

The Supervisory Council met thirteen times during the course of 2019. In addition to the regular meetings there were also Audit Committee meetings, meetings of the newly established Quality and Safety Committee, and three meetings with the Medical Staff Board.

On December 31, 2019 the Supervisory Council consisted of the following members:

- Mr. Robert-Jan James, Chairman
- Mr. Jim Rosen, Vice Chairman
- Ms. Luz-Marie Tuitt
- Dr. Heidi Chumley
- Mr. Roger Lawrence
- Mr. Sherwin Casper

In 2019, Mr. Rakesh Jethani resigned due to personal reasons. The recruitment for the seventh member started in 2020 and is in the final stage, it has however been delayed due to the current COVID-19 crisis.

The recruitment process to fill the newly created position of CFO on the Board of Directors commenced in 2018 and was completed early 2019. Dr. Marco Meuleman was appointed CFO on June 1st, 2019.

The Supervisory Council is satisfied with the 2019 financial results. The positive trend that started in 2015 has continued and 2019 again showed a positive result albeit slightly lower than 2018. As the margins are very thin, it is critical to continue to manage the expenses very closely and to be aware of any potential crisis which may affect the revenue and expense streams.



In 2018 Condotte S.A., the mother company of INSO, the general contractor that won the design, build and maintain contract of the new St. Maarten General Hospital, was placed in an Extraordinary Administrative Procedure (EAP) by the Italian Government. While this has caused some delay in the construction of the new hospital, the procedure allows a company to be protected from creditors while restructuring the company.

In January 2019 an SMMC delegation, which included the Chairman of the Supervisory Council, travelled to Italy to meet with the Government appointed Extraordinary Commissioners, who confirmed that INSO will continue to exist and remain committed to the SMGH project.

In May a meeting took place in Curacao, where all lenders were present to discuss the impact of the EAP on the position of SMMC towards the lenders. The Supervisory Council was represented in that meeting by its Chairman. All concerns that were raised were ultimately addressed to the satisfaction of the lenders. The process delayed the start of the



construction by almost one year, but construction was eventually started.

With the opening of the Urology, Neurology and Pulmonology polyclinics further expansion of medical services took place in 2019. This is in line with the strategic plan of expansion of medical services to reduce medical referrals abroad by 85%. Besides the expansion of specialties, focus

has been placed to ensure that a seamless transition of staff to the new hospital can take place. To facilitate this, the so-called 'Fit for the Future' program is being developed in cooperation with FWG Progressional People in the Netherlands. This program is supported by the Supervisory Council, and its Chairman plays an active role in the strategic development of this.

During the meeting of September 19, the Board of Directors presented the 2020 year plan to the Supervisory Council, and on October 17 the 2020 budget was presented. Both of these were approved by the Supervisory Council, and submitted to the Minister of VSA and to SZV in compliance with the November 1 deadline as established by the Statutes.

There remains room for improvement, in particular on the financial side. The ultimate goal is to receive a clean opinion on the financial statements. Unfortunately, the 2019 financials received a disclaimer of opinion, for the same reasons as previous years; the doubtful accuracy of revenue as well as the inability to produce accurate inventory counts. With the financial profile of the Supervisory Council now being filled by someone with a very strong audit background, we are confident that this can be achieved through the Audit Committee.

A self-performance of the Supervisory Council, conducted at the end of 2019, showed a passing grade and outlined areas of improvement that were adopted into the 2020 planning for the Supervisory Council in our goal of achieving excellence. With many new members on the Supervisory Council and on the Board of Directors, it was decided to have Governance training sessions developed. Two candidates submitted proposals for this, and a company from Curacao was chosen as the preferred candidate. Unfortunately, this



training did not take place in 2019 and was further delayed by the COVID-19 crisis in 2020.

Finally, the Supervisory Council would like to commend the whole SMMC team for another successful year. We look forward to continued progress in 2020 and beyond towards the vision to be the regional leader in providing high quality hospital care, with compassion and friendly service, while maintaining focus on our key objective: Providing Quality Care Close To Home.

## A MESSAGE FROM THE BOARD OF DIRECTORS

### General

The year 2019 can be considered as a stable year without major interferences like hurricanes or other unexpected setbacks. It provided SMMC the opportunity to further develop its services to its patients through the introduction of new specialties as well as increased services for the existing specialties. The relative stability also gave the possibility to enhance the development of the internal organization. Also, in the middle of the year SMMC welcomed the new CFO to its Board of Directors. Most notable during 2019 is the significant drop in international medical referrals which is a tangible result of the business case for the new hospital project.

In 2017, the total amount of international medical referrals was 5.800 which dropped considerably during 2019 to around 1.250. This is an essential part of the business case for the new hospital which was especially developed to ascertain the financial feasibility of the new hospital project. Due to SMMC substantially expanding its specialist services, the number of medical referrals was reduced. Also, this decrease led to a reduction in costs for insurance companies (amongst others

SZV). The country of St. Maarten benefits in many aspects by the possibility offered by SMMC to treat more patients on-island.

### Result and Revenue

SMMC has recognized a net consolidated profit after tax of ANG 945,960 for the year ended 31 December 2019 (ANG 1,497,413 in 2018). This is line with the profit expected from the business case that formed the basis for the new hospital project. Also, in 2019 SMMC the medical treatments increased, leading to a total consolidated turnover of ANG 88.9 million (ANG 81.0 million in 2018). This



supersedes the projections in the business case for the new hospital: a turnover of ANG 63 million for 2019 was expected. This provides a basis for the realization of the business case projections. Most notably contributing to the additional revenue were Urology, Pediatrics, Cay Hill Pharmacy, Radiology and the Diagnostic services. Time and effort were invested in bringing in new rotating specialists, which increased the cost but per balance was also a main contributor to the revenue

increase. Especially Ophthalmology that was planned only to start in 2020 already contributed to the results recorded in 2019. SMMC is now providing almost all general hospital services. Except for the more complex care like, for instance, neurosurgeries. These complex procedures are still part of the international medical referrals. In general, 2019 revenue increased thanks to the expansion of existing specialties and therewith SMMC came closer to achieving its mission of providing quality care close to home.

General expenses went up as a result of hiring different consultants to speed up the organizational change and improvements. And especially the housing and maintenance cost increased due to the fact that the current building is outdated and constant repairs are needed to guarantee safety and keep the facility up and running. Apart from the operational cost, also the medical expenses have risen due to increased medical production, more medication, more medical supplies and more medical specialists have been deployed.

In general a strong rise in cost is seen for medical specialists (rotating) as well as in allowances (for own pay roll specialists based on new remuneration regulation). The “investments” in these specialists contributed strongly to the number of patients that were treated within SMMC and hence the realization of the business case.

The non-collectible Accounts Receivable is based on management estimates. The bigger part of the dotation to provisions is contributed to the non-collectible outstanding payments for Self-Responsible (non-insured) patients. For the other income lines (SZV, private insurance companies and BES), no major additional dotations were needed which might indicate an improved control on this process. For the collection of the Self-Responsible patients, more actions are being implemented to tightening the procedures for payment arrangements and external collection agencies. However, the reality is that part of the population that is living on St. Maarten (resident) are not entitled to a PPK card and consequently are not insured via SZV or elsewhere, partly also because work permits are not in place.



## Cost

Operational costs in the year 2019 substantially increased versus 2018. However, the total cost exceeds the multi annual business case projections and this is compensated by the higher turnover. The increase in salaries and wages is a result of the increase in gross salary per employee, increase in number of staff as well as the need to hire specialized staff. Most notably, the higher allowances contributed to improved staff benefits.

In line with the medical profession, SMMC is proud of delivering care to all people in need. Nevertheless, the medical bill for these mostly low

paid workers remains uncollected for SMMC. This adds to the revenue, but after a year adds to the cost for additional provisions.

## **Work In Progress New Hospital Building**

The amounts for the work in progress of the new hospital building grew with 2.6 million to ANG 19.3 million as per 31 December 2019 out of which ANG 11.6 million is pre-financed by SZV. This loan is replaced with the first tranche of the loan received from the lenders' consortium via NIBanc after the current reporting year in January 2020. The additional cost for this investment in 2019 is paid by SMMC and the World Bank.

## **Organizational Development**

Much effort was put into the internal organization development of SMMC. The 'Fit For The Future' program encompasses many of the projects for the way forward for SMMC. Especially the refitting of the structure to suit the best capabilities of staff and the development of staff in general has been the main activity to get the organization ready for newer phases. In general, SMMC distinguishes between 2 major projects: Home (organizational and staff development) and House (new hospital building).

## **Risks**

From a risk perspective in general SMMC has items to consider, like for instance natural disasters (hurricane season), political environment, but also the vulnerable economy that is highly depending on tourism. The building of a new hospital has inherent risks which are mitigated by a very experienced project manager, cooperation with the tripartite, expansion of the Supervisory Council, external engineers from SMMC, external engineers from the lenders and specialized lawyers have been dedicated to the project in order to build an organization structure with enough controls and

countervailing powers that should safeguard the building as was planned.

Another, not to be underestimated, risk is the pace of the developments under the Home and House program. Existing institutions, stakeholders and staff might see the speed of the developments as a threat instead of a benefit to them. SMMC management has taken a principal standpoint to guide and develop all willing staff into the new reality. Therefore the Fit For The Future program started in 2019 to accommodate this.

## **Cay Hill Pharmacy**

Cay Hill Pharmacy (CHP)'s turnover increased to ANG 13.6 million and made a profit of approximately ANG 138.000. This profit is influenced by dotations to provisions relating to SZV, due to incomplete billing. When the new rates for generic medication are implemented, the cost is expected to lower substantially.

## **2019 And Beyond**

In general, SMMC has taken another step into the direction of the new hospital by realizing the business case projections during 2019.

The expansion of the available medical specialists made more services and treatments for our patients possible. Most noteworthy is the lowering of international medical referrals. SMMC has plans for investing in the current building the coming years to keep increasing the level of services available, especially the ones that currently require the patient to be transferred to international destinations such as Colombia, Dominican Republic and Curacao. In the meantime, during January 2020 the first excavation works for the new hospital building started.



From March 2020, the COVID-19 pandemic influenced all aspect of society and therewith also the progress of the construction of the building. The works on the new building have stopped during the COVID-19 period and the process has restarted since the world-wide lockdowns and restriction eased. Some internal quality enhancement projects, like JCI, were also influenced by this pandemic. On the other side SMMC took a leading role in the preparations towards this crisis and built additional facilities in a

short period of time. Staff were actively involved in realizing the new procedures for these exceptionally good and swift realized facilities.

Looking forward, SMMC is actively seeking to continue the proven fruitful relationship with our partners SZV and VSA on different aspects and in the joint meetings.



## MISSION & VISION

### The Mission of the St. Maarten Medical Center is:

SMMC provides high quality, accessible and affordable hospital care in the best interest of the patient, by closely cooperating with strategic partners, within a safe environment with motivated, qualified and competent staff.

### The Vision of the St. Maarten Medical Center is:

SMMC is the general hospital that guarantees high quality hospital care based on patients' needs, to residents and visitors of St. Maarten and her surrounding islands, close to home.

## LEADERSHIP


SMMC is an autonomous non-governmental organization. The foundation consists of two bodies, the Board of Directors and the Supervisory Council. The responsibility for the daily management lies upon the Board of Directors, who are supported by the Management Team, while the responsibility of the Supervisory Council spans supervising the organization strategy and general developments of the hospital.

### Supervisory Council



 **Robert-Jan James**  
Chairman



 **Jim Rosen**  
Vice Chairman



 **Luz Marie Tuitt**  
Council Member



 **Roger Lawrence**  
Council Member



 **Dr. Heidi Chumley**  
Council Member



 **Sherwin Casper**  
Council Member

## Board of Directors



**Kees Klarenbeek**  
General Director



**Dr. Felix Holiday**  
Medical Director



**Dr. Marco Meuleman**  
Chief Financial Officer

## Management Team



**Antonio Pantophlet**  
Manager Patient Care  
& Education



**Sheila Hodge**  
Manager Support  
Services



**Erika van der Horst**  
Manager New Hospital  
Construction



**Bonnie Dekker**  
Manager Strategy &  
Business Development



**Janneke Lok**  
Legal Counsel



**Michael Sargeant**  
Head Maintenance  
& Facilities



**Amanda Gumbs-Weijmer**  
Concern Controller

## INDEPENDENT AUDITORS REPORT

### A. Report on the abbreviated 2019 consolidated financial statements

#### Our Opinion

The summary (hereafter: 'abbreviated') 2019 consolidated financial statements of Foundation Sint Maarten General Hospital (hereinafter "SMMC" or "the foundation"), based in St. Maarten, are derived from the audited consolidated financial statements of Foundation St. Maarten General Hospital for the year ended December 31, 2019.

In our opinion the accompanying abbreviated 2019 consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Foundation St. Maarten General Hospital for the year ended December 31, 2019, in accordance with the principles described in the notes.

The summary consolidated financial statements comprise:

1. the summary consolidated balance sheet as at 31 December 2019;
2. the summary consolidated income statement for the year then ended; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

#### ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

The abbreviated consolidated financial statements do not contain all the disclosures required by Generally Accepted Accounting Principles in the Netherlands. Reading the abbreviated consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Foundation Sint Maarten General Hospital including our auditor's report thereon. The abbreviated consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

#### THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR DISCLAIMER OF OPINION

We did not express an opinion on the consolidated 2019 financial statements of the foundation in our report dated July 16, 2020. Because of the significance of the matters described in the 'Basis for our disclaimer of opinion' paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### BASIS FOR OUR DISCLAIMER OF OPINION

The following matters were noted during the audit:

1. The internal control system regarding the completeness of invoicing of medical treatments and related income sources was inadequate during 2019. We were unable to obtain sufficient audit evidence by alternative means concerning the completeness of revenue and the related accounts receivable. We therefore did not obtain sufficient evidence to determine whether recorded revenues and related accounts receivable are completely recorded. In addition the accuracy of the individual accounts receivable balances could not be established due to the fact that the advance payments recorded through suspense accounts were not reconciled to individual trade receivable accounts during 2019.



2. We could not determine the accuracy, including valuation, of the inventory balances based on the internal control system in place during 2019. We were unable to obtain sufficient audit evidence by alternative means concerning the inventory quantities and value as held at December 31, 2018 that enter into the determination of the related cost of sales for the year ended December 31, 2019.

As a result of these matters, we were unable to determine whether any adjustments might have been necessary in respect of recorded or unrecorded inventories, accounts receivable and the elements making up the consolidated income statement.

## **RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY COUNCIL FOR THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation of the abbreviated consolidated financial statements in accordance with the principles described in the notes.

The Supervisory Council is responsible for overseeing the foundation's financial reporting process.

## **OUR RESPONSIBILITIES**

Our responsibility is to provide an opinion if the abbreviated consolidated 2019 financial statements are consistent, in all material respects, with the audited consolidated financial statements of Foundation Sint Maarten General Hospital for the year ended December 31, 2019, based on our audit, in accordance with Dutch Standard on Auditing 810, 'Engagements to report on summarized consolidated financial statements'.

**St. Maarten, 8 October 2020**

For and on behalf of BDO St. Maarten B.V.,

Signed by P.C. Lungu ACCA

## 1.1 ABBREVIATED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2019

Before of result distribution

	31 December 2019	31 December 2018
	ANG	ANG
<b>ASSETS</b>		
Intangible Fixed Assets	321,249	750,941
Tangible Fixed Assets	40,262,586	36,636,577
Current Assets		
Inventory	5,169,019	4,799,614
Receivables	14,043,932	24,191,983
Cash and Cash Equivalents	11,588,245	5,188,333
<b>Total Assets</b>	<b>71,385,031</b>	<b>71,567,448</b>
<b>EQUITY &amp; LIABILITIES</b>		
Foundations' Equity	39,100,553	38,154,593
Equalization Reserve	4,014,721	931,043
Provisions	5,614,874	4,867,130
Short-term Liabilities	22,654,883	27,614,682
<b>Total Equity &amp; Liabilities</b>	<b>71,385,031</b>	<b>71,567,448</b>

## 1.2 ABBREVIATED CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2019

	31 December 2019	31 December 2018
	ANG	ANG
<b>Medical Income</b>	88,911,648	81,046,981
Direct Expenses	-24,178,581	-19,844,427
<b>Gross Margin</b>	64,733,067	61,202,554
Other Operating Income	830,059	420,156
<b>Gross Margin</b>	<b>65,563,126</b>	<b>61,622,710</b>
Salaries and Wages	40,405,562	35,401,189
Depreciation of Intangible and tangible fixed assets	4,629,766	4,093,700
Other Operating Expenses	19,277,464	20,336,301
<b>Total Operating Expenses</b>	<b>64,312,792</b>	<b>59,831,190</b>
<b>Operating Result</b>	1,250,334	1,791,520
Financial Expense	-304,374	-294,107
<b>Result on Ordinary Activities before taxation</b>	945,960	1,497,413
Profit Tax	-	-
<b>Result After Taxation</b>	<b>945,960</b>	<b>1,497,413</b>

## 1.3 NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

### General

Foundation Sint Maarten General Hospital formerly known as Sint Maarten Medical Center Foundation (hereinafter 'SMMC' / 'SMGH') was incorporated on March 26, 1990. SMMC operates as a general hospital located at Welgelegen Road #30, Unit #1, Cay Hill, St. Maarten. SMMC is a non-profit organization with the goal to manage and operate a financially viable general hospital on St. Maarten in the broadest sense.

### CORPORATE GOVERNANCE CODE

The Corporate Governance Code is applicable to the Foundation. The organization is currently in the process of implementing the requirements of the Corporate Governance Code. Once this has been completed a compliance report will be prepared using the comply or explain principle.

### BASIS OF PREPARATION

According to Book 2, article 58 and article 119 of the Sint Maarten Civil Code, SMMC qualifies as a large Foundation. This implies that the Foundation meets the following criteria:

- Exceeding criterion of 20 full time employees;
- Exceeding the value of assets criterion of ANG 5 million;
- Exceeding the Income criterion of ANG 10 million.

According to article 120.3 of the Sint Maarten Civil Code SMMC needs to report its Financial Statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. However, this article also gives SMMC the opportunity to compile its financial statements according to other internationally accepted accounting principles in case the board of directors has given reasons to do so. The board of directors has made use of this possibility to report according to Dutch Generally Accepted Accounting Principles (Dutch GAAP), amongst others, because of the following reasons:

For comparisons purposes:

- In previous years SMMC has reported according to Dutch GAAP, therefore makes it more useful to compare with previous reporting periods;
- In Sint Maarten, according to general use, most health care organizations on Sint Maarten and in the Dutch Caribbean, as well in the Netherlands, report according to Dutch GAAP.

For economic reasons:

- SMMC's bookkeeping systems and sub ledgers have been developed in line with Dutch GAAP;
- Implementing IFRS based reporting will lead to significant additional expenses regarding redefining systems and additional education of finance department.

### CONSOLIDATION

SMMC owns 100% of the shares of St. Maarten Medical Center Pharmacy N.V. (the company) and therefore the balance sheet, the income statement have been consolidated. Intercompany transactions and balances between the company and SMMC are eliminated upon consolidation.

St. Maarten Medical Center Pharmacy N.V. also known as Cayhill Pharmacy (CHP) was incorporated on September 27, 1991 in St. Maarten. The entity's main objective is to conduct and sell pharmaceutical supplies operating as a public pharmacy on the Dutch side of St. Maarten. The entity commenced its operations in March 1991.

### **COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary in order to easily compare with the financial statements of this year.

### **GOING CONCERN AND FINANCIAL POSITION OF THE FOUNDATION**

During the preparation of the financial statement, the country of Sint Maarten is affected by measurements to fight the Covid-19 virus. Management evaluated the impact of the crisis caused by Covid-19 to the entity and concluded that the going concern assumption of the entity is not affected by it. Consequently, the consolidated financial statements have been prepared on a going concern basis, which assumes that the Foundation will be able to meet the mandatory repayments required in the foreseeable future. The Foundation has recognized a net profit after tax of ANG 946 thousand for the year ended 31 December 2019 and, as at that date, current assets exceed current liabilities by ANG 8.1 million.

### **USE OF JUDGMENT AND ESTIMATES**

In preparing the consolidated financial statements, the Supervisory Council and Board of Directors of SMMC, in accordance with accounting principles generally accepted in the Netherlands, have to make certain judgments and estimates that affect the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results can deviate from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is included in the following notes:

Note 2 useful life determination and including accelerated depreciation of tangible assets;

Note 4 measurement of allowance for trade receivables: key assumptions in determining the likelihood of non-compliance with the payment terms;

Note 8 measurement of post employment benefits obligation: key actuarial assumptions;

Note 12 recognition and measurement of provision and contingencies: key considerations.

During the preparation of the consolidated financial statements, the country of Sint Maarten is affected by measures taken in response to the Covid-19 virus. Management evaluated the impact of the virus on the entity and concluded that the estimations are not affected by it.

### **TRANSLATION OF FOREIGN CURRENCY**

Monetary assets and liabilities denominated in foreign currencies have been converted to Antillean Guilders



(ANG) at the rates of exchange prevailing at balance sheet date. Income and expense transactions have been converted at the rates prevailing on the date of the transaction. Any gain or loss on foreign currency translation is credited or charged to the income statement which is referred to as Translation Exchange Rate Differences. The foundation converts all transactions at the currency exchange rate of:

USD 1 - ANG 1.78;

EUR 1 - ANG 2.05.

## **Accounting Policies in Respect of the Valuation of Assets and Liabilities**

### **GENERAL**

The general principle for the valuation of assets and liabilities, as well as the determination of results, is the historical purchase price.

Unless otherwise stated, assets and liabilities are stated at the values at which they were acquired. Income and expenses are recorded in the period to which they relate.

### **INTANGIBLE FIXED ASSETS**

Intangible fixed assets are stated at cost less accumulated amortization and, if applicable, less impairments in value. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes of the balance sheet.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost, net of accumulated depreciation. Depreciation is computed based on the estimated useful lives of the assets using the straight line method, except, if applicable, adjusted for changes in the economic life of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in the income for the period. The cost of maintenance and repairs is provided for in a maintenance provision. Significant improvements are capitalized and depreciated over its economic lifetime. Work in progress will start depreciating after completion.

### **INVENTORY**

Inventory is stated at FEFO method (first-expired, first-out), taking into account a provision for obsolete inventory for SMMC.

### **ACCOUNTS RECEIVABLE**

Accounts receivables are carried at anticipated realizable value. Accounts receivable are shown after deduction of a provision for bad and doubtful debts where appropriate. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

The accounts receivable have a maturity date due within one year.

## **CASH AT BANK**

Cash and bank balances are freely disposable, unless stated otherwise.

## **EQUITY**

The equity comprise the nominal capital account, accumulated gains/losses and the result of the period accounts.

## **EQUALIZATION RESERVE**

SMMC has formed an equalization reserve for certain designated monetary donations. These monetary donations received will remain reserved until the equipment has been purchased and received. The amounts are amortized in line with the straight line depreciation of the related assets. The amortization of the equalization reserve is recognized on other income.

## **PENSION PLAN**

The employees of the foundation are entitled to a pension which is insured with an insurance company. The pension plan is a so-called defined contribution plan. The foundation's liability is limited to the employers' part of the pension premium.

### *Provisions for other post-employment benefits*

The foundation provides for payments in addition to pension payments of retired employees. The provision is calculated by an actuary under the actuarial cost method using the projected unit credit method and specific assumptions.

## **CURRENT LIABILITIES**

The short term liabilities are due within one year.

## **ACCRUALS AND DEFERRED INCOME**

The accrual method of accounting is used in recording liabilities with respect to accounts payable. Current year's costs or purchases for which invoices were received in the subsequent year are booked to accrued expenses.

## **Accounting policies in respect to the Income Statement**

### **GENERAL**

The net result is determined as the difference between the recognized income and the expenses relating to the reporting period. Costs are determined in accordance with the accounting policies applied to the balance sheet. Income is realized in the year in which the services rendered are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

### **INCOME**

Income comprises of fees for medical treatments chargeable to patients and insurance companies and other social security institutions. Income also includes sales of pharmaceutical products to customers.

## PROFIT TAX

SMMC is a non-profit foundation, therefore no profit tax is due. St. Maarten Medical Center Pharmacy N.V. is subject to profit tax at the standard 34.5% rate.

## CORPORATE SOCIAL RESPONSIBILITY

SMMC plays an important, exemplary role to the community of St. Maarten and neighboring islands. As part of the public domain and healthcare ecosystem, corporate social responsibility is a requisite for the hospital.

To SMMC, corporate social responsibility is about acting with due care and performing with respect for patients, employees, environment and resources. This goes hand in hand with our strive for transparency through clear reporting on activities and their consequences. Additionally, SMMC makes it a point to work closely with partners within the health system and other health-related institutions on St. Maarten.

Together the flow of care services is consolidated and solutions are found on all domains (i.e. patients, employees, environment and resources) completely and accurately recorded.

## PATIENT CARE

This chapter outlines the developments in patient care during 2019.

### Medical Care

#### BECOMING A GENERAL HOSPITAL

During 2019, SMMC introduced Urology, Neurology Pulmonology and Orthopedics in an effort to cater to the growing demand for these medical services on the island (and surrounding islands) reinforcing SMMC's objective of providing 'quality care, close to home'. With these additions to its roster of care, all general medical specialties are available at SMMC, elevating the Medical Center to the status of a General Hospital. Furthermore, by offering these medical services locally, the number of patient referrals abroad have been further reduced thus saving health care costs to the country, while stimulating the local economy as less funds leave St. Maarten for medical purposes.

### Urology

A Urology Clinic was opened in mid-2019 located in a brand-new multi-purpose clinic, which also houses the Neurology and Pulmonology specialties. The new clinic has been made possible by a financial



agreement between SMMC and “Zorgverzekeringskantoor BES” (ZVK). In addition to patients from St. Maarten, the clinic also treats a considerable number of patients originating from the BES islands (in particular: Saba and St. Eustatius), who since the clinic’s opening do not have to travel very far from home to receive treatment.

## **Neurology**

The Neurology department was officially bolstered with a permanent and a rotational Neurologist, the latter providing Neurology services to patients on a bi-weekly basis.

## **Pulmonology**

Pulmonology services became operational on a full-time basis in 2019 and are provided by a rotational team of 5 Pulmonologists originating from Aruba, Bonaire and Curacao.

## **Orthopedics**

A new Orthopedic clinic became a reality during 2019 and is being led by a permanent Orthopedic surgeon.

## **ADDING CAPACITY AND STAFF**

### **Expansion Dialysis Clinic**

In order to be able to treat the growing amount of Dialysis patients, 2 new Dialysis positions were added in early 2019 increasing the clinic’s capacity from 13 to 15 positions. This means that the clinic is able to treat a total of 84 Dialysis patients (up from 72 patients). In order to facilitate the new positions, some changes to the Dialysis clinic had to be made such as building a new waiting room and adding a new treatment room in which the extra stations have been placed.

### **House Officers**

The need to have 6 House Officers to support the specialists, distributed among Internal Medicine, Surgery, OB/GYN and Pediatrics, has been previously established and approved by VSA through the Manpower Planning. During 2019, SMMC added 2 House Officers to its roster of specialists with both doctors having been born and raised on St. Maarten and Curacao respectively which reconfirms SMMC’s objective of preferably recruiting those with a strong connection to the island(s). One of the House Officers was recruited via the Dutch Caribbean Recruitment Expo, FRED.

### **Anesthesiology**

A new Anesthesiologist started her tenure at the hospital at the beginning of 2019 and joined the current Anesthesiologist bolstering the Anesthesiology department.

### **Pediatric Cardiology**

General Pediatric Cardiology services were started early 2019 by adding a rotational Pediatric Cardiologist to SMMC’s roster of medical specialists.

### **Establishment Medical Professionals**

In collaboration with the Ministry of VSA the streamlining of all processes to make a smooth recruitment of



medical professionals possible is under review. Also, the process of clearing not BIG-registered medical specialists for which SMMC provided a proposal is still under review by the Ministry of VSA.

### **Remuneration Regulation Medical Staff**

To foster stability and to create continuity in the organization while remaining fully transparent on its way to transform to the new St. Maarten General Hospital, SMMC signed a remuneration regulation with its medical staff during 2019. The signing of the remuneration regulation successfully concludes a trajectory of in-depth negotiations between SMMC's Board of Directors and SMMC's Medical Staff Board, the latter acting on behalf of all medical staff in service at SMMC. With the regulation in place, SMMC will strengthen its position on the labor market by being in a better position to compete with other medical institutions in the region



### **Medical Students**

Internal rotations of medical students from the Vrije Universiteit (VU) in Amsterdam have been fully reestablished during 2019 after these seized due to hurricane Irma's aftermath, whereby students do rotations in the OB/GYN, Pediatrics, Surgery and Internal Medicine departments.

## **OTHER DEVELOPMENTS**

### **GP Care**

Late in 2019, SZV announced that General Practitioners (GP's) cannot refer patients abroad anymore. Close consultations with SZV were held in order to make this transition as smooth as possible to avoid a large increase of patients visiting SMMC suddenly. Also, the contract between SMMC and GP's was terminated whereby instead of the ER department, the GP's will be responsible again for seeing their clients after 5 pm on weekdays, on weekends and during holidays for non-emergency care with the aim of having ER staff deal with emergency care.

### **Cay Hill Pharmacy Upgrade**

Cay Hill Pharmacy installed a new Pharmaceutical Isolator system, which assists the pharmacists with the

delivery of medication for the hospital's Chemotherapy department. This new closed barrier isolation system provides an inherently superior sterility for both the pharmacists and the patients.

## **Medical Waste Processing**

A medical waste processor called a Micro-Grinder was installed in the latter part of 2019 on SMMC's premises in order to safely treat its medical waste. The Micro-Grinder, processes up to 50 kg of medical waste per hour and turns medical waste into sterile (non-infectious) municipal waste. With the installation of the Micro-Grinder, the bulk of SMMC's medical waste, which are non-bodily materials, can safely and swiftly be processed on site which reduces the risk of contamination and reduces its volume while doing so.

## **Nursing Care**

### **IMPROVING CARE**

In September 2019 an impressive number of 31 nurses graduated from the Registered Nurse (RN) course that started in 2017. Students originated from St. Maarten, Saba, St. Eustatius and St. Martin (French part). Of the graduates, 15 are working at SMMC, four at the White and Yellow Cross Foundation, one at Sector Health Care, three at the Mental Health Care Foundation, three at Saba Health Care Foundation, two at St. Eustatius Health Care Foundation and one in the hospital in St. Martin.

An increase in the number of RN's is much needed to beat the ongoing challenge of understaffing on the wards. Specialized nurses are specifically needed at the Dialysis department, for which recruitment was prioritized in 2019 and rotational nurses were flown in from abroad. A Certified Dialysis RN course is planned for some years but could not yet be started in 2019 due to lack of interest of qualified staff.

A pre-triage system was implemented in the Emergency Room (ER) to ensure that visitors to the ER are first seen by an ER-nurse instead of an administrative clerk at the registration desk. This system aims to speed up the triage process and improve emergency care.

The Obstetrics/Gynecology and Pediatric nurses teamed up to host several events to promote breastfeeding in August, Breastfeeding month, such as lectures in SMMC's patio and participation in radio shows.

The Patient Care department worked together with Quality & Safety and Communications by setting up a policy and provide a Hostess training to the Service Desk Assistants. The objective is to improve customer service at the Service Desk and Check-in/Admission by guiding the patient to the right window.

With the opening of the Eye Clinic in 2018, a program started and continued in 2019 for onsite and offsite training of Ophthalmic Technical Assistant (TOA's) and OR technicians to support the eye specialists both in the Outpatient clinic as well as the Operating Room. The offsite training took place in Suriname, under guidance of our rotational group of eye specialists.

Two sets of competency trainings were given to the core group of nurses who are involved in Endoscopy care.

The reoccurring Advanced Cardiovascular Life Support (ACLS) training was organized for critical care nurses and doctors, which was completed with a 100% passing grade.

## SOCIAL WORK

As part of Patient Care, the Social Work (SW) Department assists patients, families and staff members in achieving their full potential, by restoring independence and linking to necessary exterior resources within the community, for a holistic approach to the continuum of care from a social perspective.

The range of areas covered still include assistance in matters ranging from psycho-social distress, financial burdens, adoption procedures, guardianship rights, lack of housing, abandonment, organizational matters at other facilities resulting in delayed transfers, rehabilitative services, lack of insurance coverage and regulating of documents to ensure continued care.

The Social Work unit is tasked with ensuring the livelihood of patients and families aren't hindered because of the "new" circumstances being encountered. The unit mitigates by intervening and offering the best options available to all in hopes of receiving cooperation in an effort to get optimal results for the one who requires it.

## Consultations

There were 165 documented referrals/consultations in 2019. The distribution of consultations was as follows:

Outpatient	Dialysis	ICU	Med-Surg	OB-GYN	Pediatrics	Emergency
16	15	4	106	8	12	4

From the total number of consultations, the following conclusions were made:

- 23 were social cases
- 5 were longstanding patients
- 20 cases of undocumented persons (illegal immigrants) were logged
- 14 cases were of uninsured persons

Of the five long-stay candidates, one was still admitted at the end of 2019 because of immigration matters and lack of insurance, one was repatriated, two passed away and one was discharged. There is also an addition of the ER unit which had 4 cases in 2019 to handle.

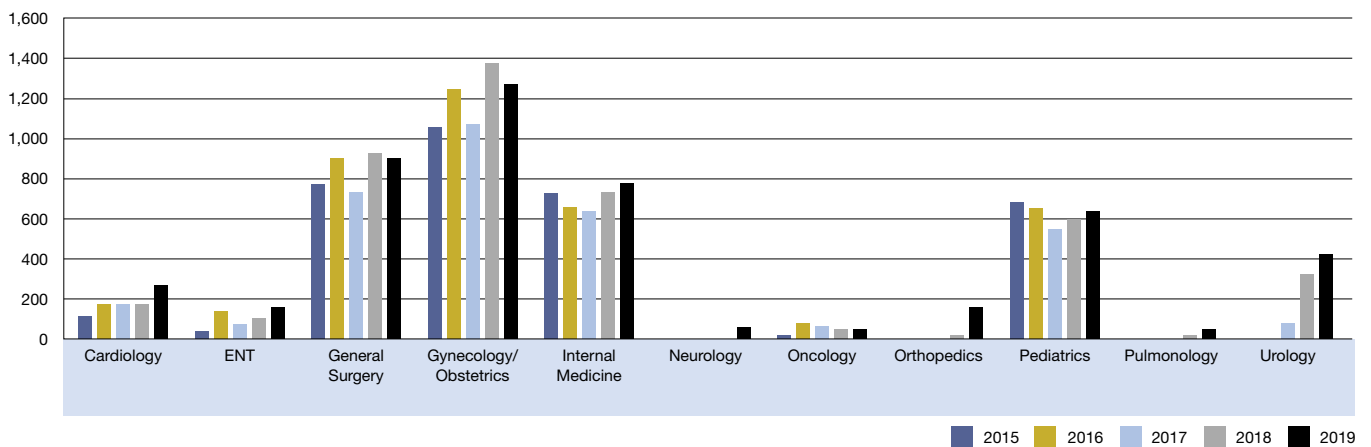
## PERFORMANCE FIGURES

The following sections describe the performance figures of SMMC realized for 2019.

### Inpatient

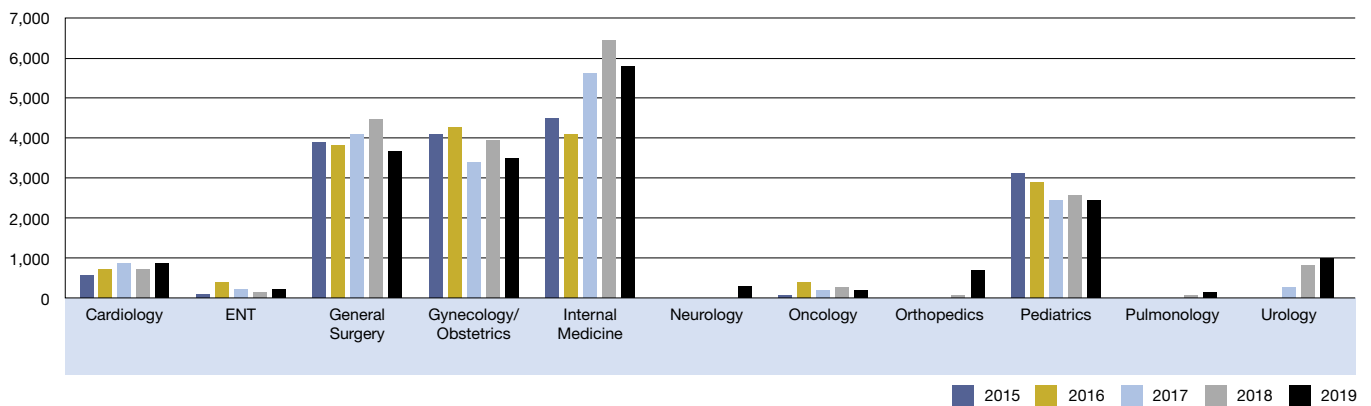
The total number of admissions (4,661) in 2019 increased with 10.2% compared to year before (4,266). The increase is mainly attributable to the addition of Orthopedic Surgery and an increase in admissions for Urology and Internal Medicine. A decrease was seen in the number of admissions for Obstetrics/Gynecology.

#### Hospital Admissions



In 2019, the number of hospital days (19,059) has increased with 2.1% compared to the year before (19,476). The hospital days per specialty are listed in the graph below.

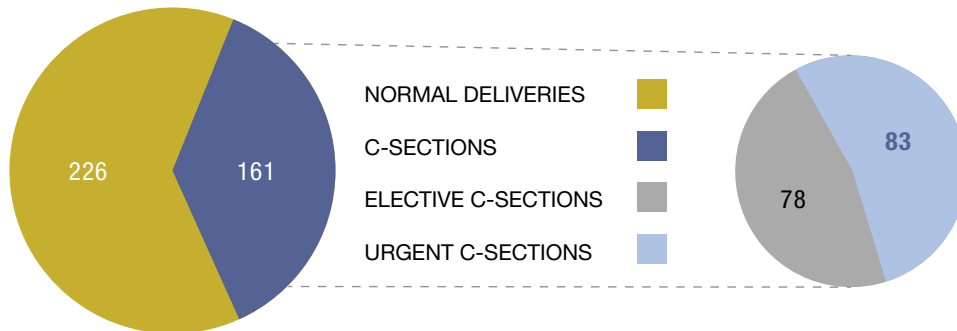
#### Hospital Days





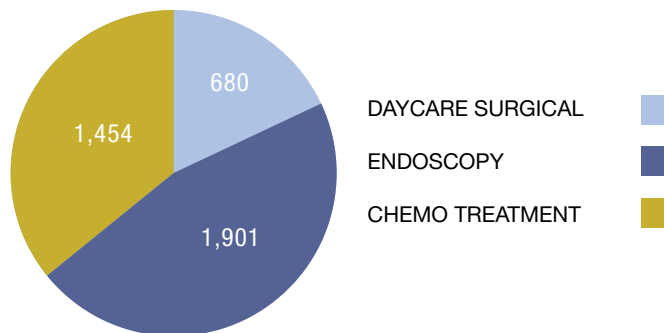
## Newborns

The total number of newborns has decreased from 435 in 2016 to 423 in 2017 to 415 in 2018 to 387 in 2019. It remains unclear if this is related to demographic figures (less growth of the population and/or people who left the island after hurricane Irma), as recent demographic figures are currently not available.



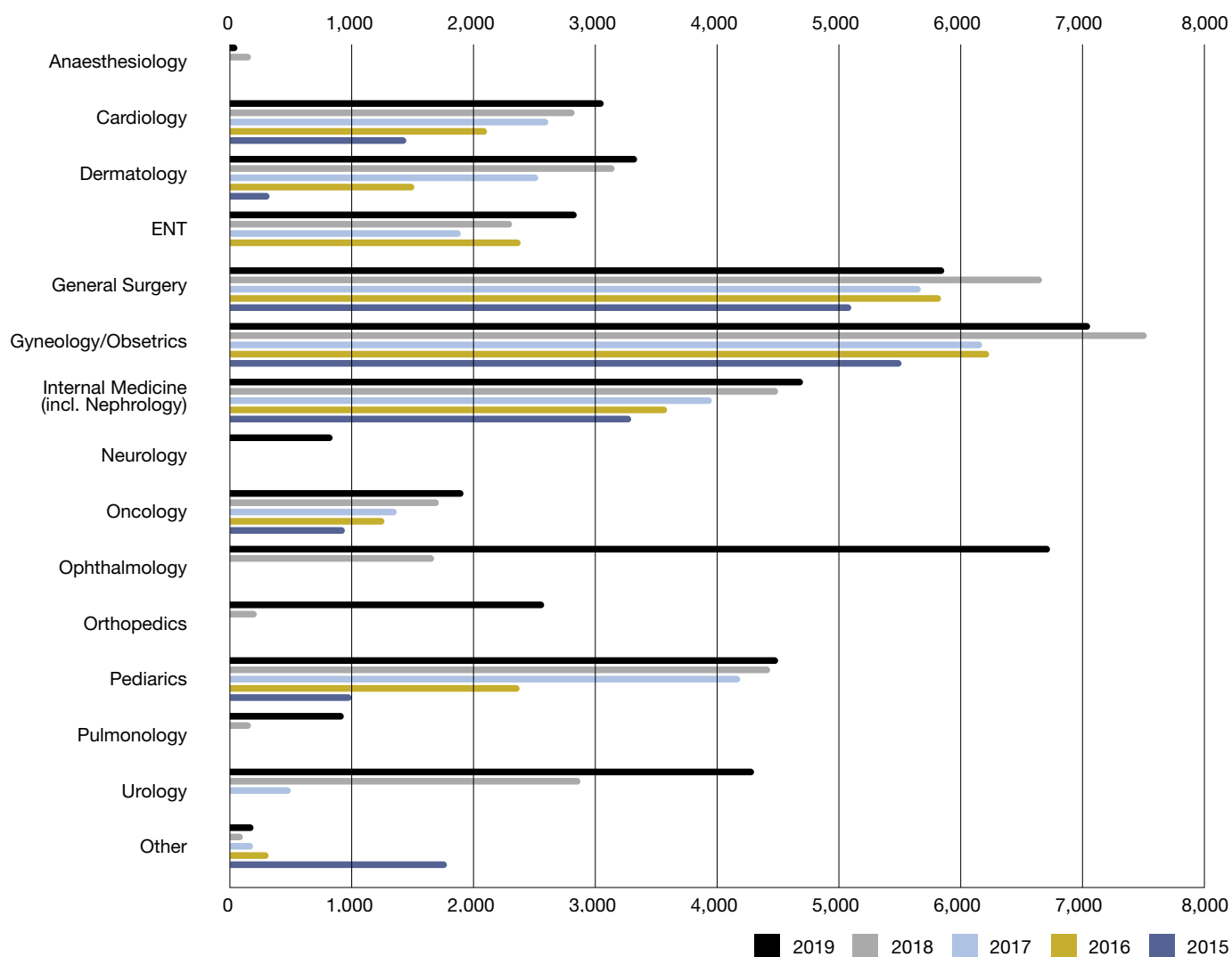
## Daycare Activities

The total daycare activities in 2019 (4,035) show a 24.6% increase from the year before (3,238) which is mainly due to an overall rise in Daycare, Endoscopy and Chemo Treatments.



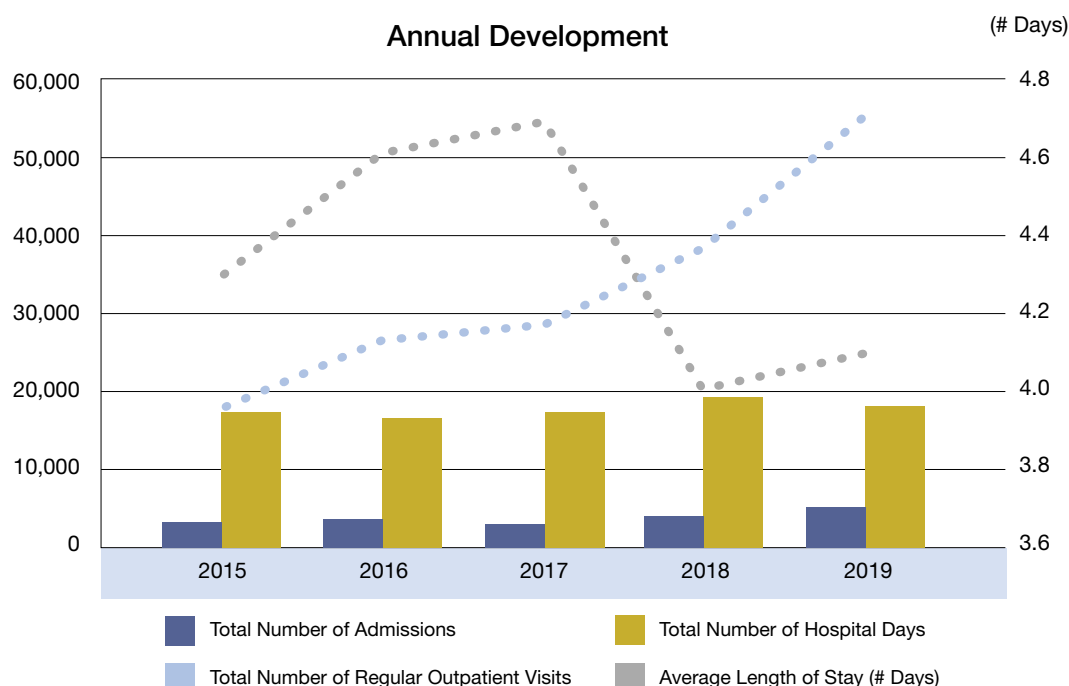
## Outpatient Consultations

The trend of the growth in outpatient (policlinic) consultations continued in 2019 with an increase of 27.6% from 43,663 to 55,696 consultations compared to 2018, which is due to the introduction of new specialties such as Neurology and the continued expansion of existing specialties such as Ophthalmology, Pulmonology and Orthopedics.



A general increase in outpatient consultations is shown in most specialties with Neurology, Urology, Pulmonology and Orthopedics as largest contributors due to the opening of its new multipurpose polyclinic and the Ophthalmology clinic recording a full calendar year of consultations.

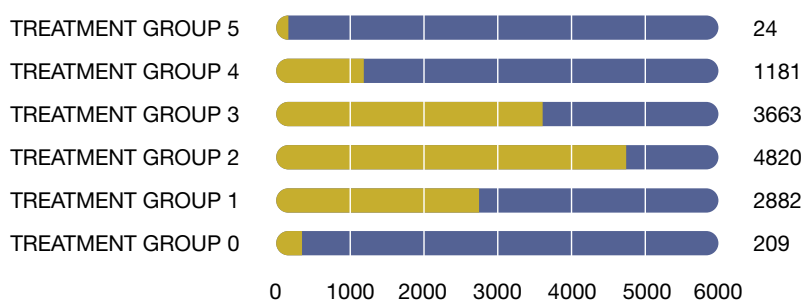
The annual development of the total number of regular outpatient consultations, hospital days, admissions and length of stay is shown in the graph below.



## Emergency Room

The total number of Emergency Room (ER) visits in 2019 (12,830) hovered around the same level as the previous year (12,779) with only a slight increase of 0.4%, which confirms the trend resulting from the lowering of numbers in treatment group 0, 1 and 2 representing non-urgent general practitioner care performed on the ER as well as non-complex Emergency care. This in line with SMMC's policy to reduce this type of treatments in the hospital and refer patients to their general practitioner if appropriate.

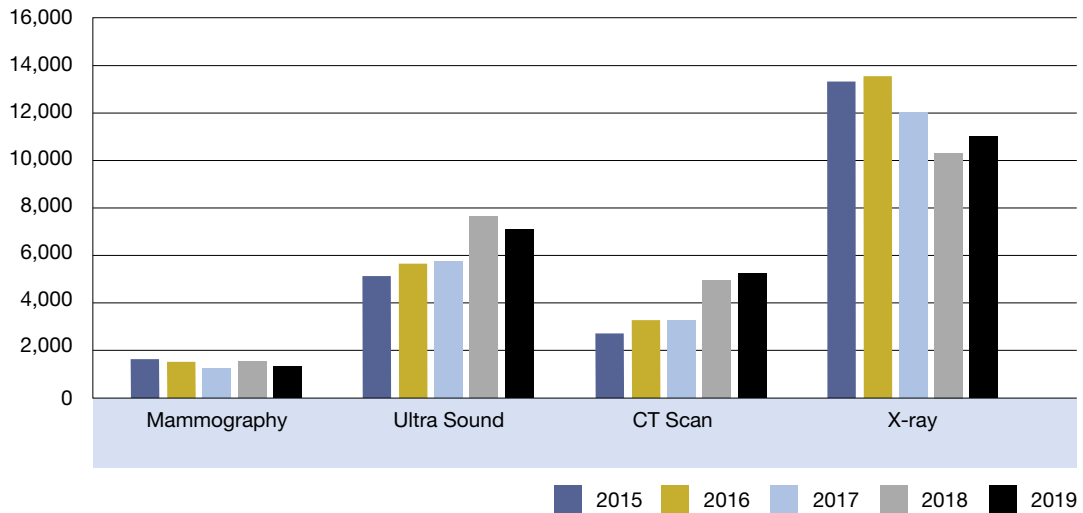
### ER Visits



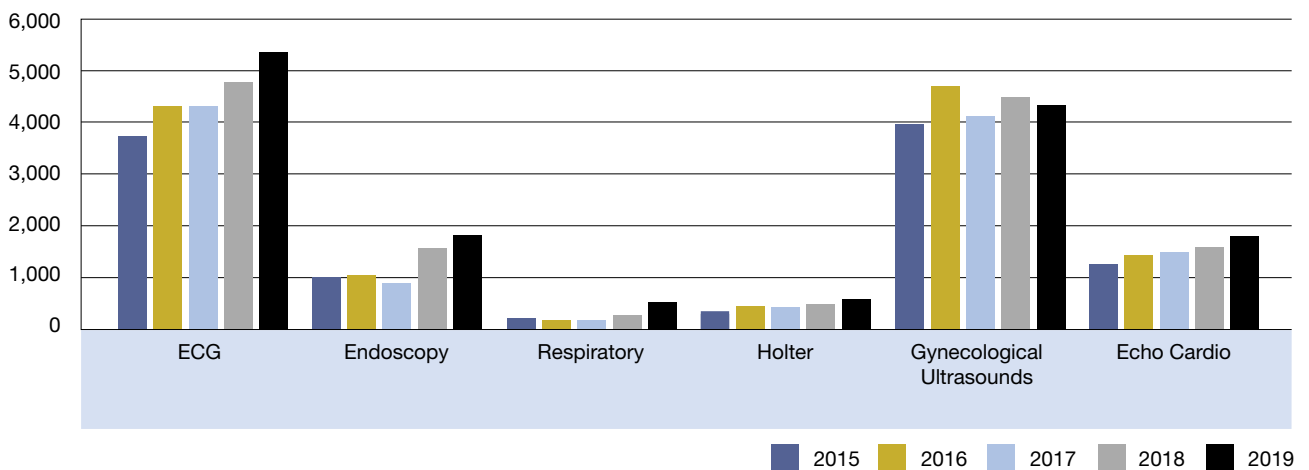
## Radiology and Diagnostics

The number of radiology procedures in 2018 (25,425) increased with 2% compared to the previous year (24,928) and the number of diagnostics (14,222) increased with 8.6% compared to the previous year (13,090). Both are attributed to the general expansion in medical services.

**Radiology Procedures Per Year**

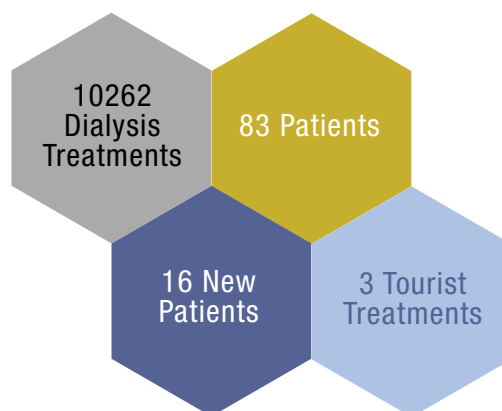


**Diagnostic Procedures**



## Dialysis

The Dialysis department serviced 83 patients in 2019, of which 16 were new patients. A total of 10,262 dialysis treatments were conducted this year, which is an increase of 615 (6.3%) compared to the previous year.



## FINANCE

The year 2019 can be considered as a stable year without major interferences like hurricanes or other unexpected setbacks. It provided SMMC the opportunity to further develop its services to its patients through the introduction of new specialties as well as increased services for the existing specialties. The relative stability also gave the possibility to enhance the development of the internal organization. Also, in the midst of the year SMMC welcomed the new CFO to its Board of Directors. Most notable during 2019 is the significant drop in international medical referrals which is a tangible result of (the business case for) the new hospital project. In 2017, the total amount of international medical referrals was 5,800 which dropped considerably during 2019 to around 1,250. This is an essential part of the business case for the new hospital which was especially developed to ascertain the financial feasibility of the new hospital project. Due to the reduction in international referrals, SMMC was able to provide better care close to home. Also, this decrease led to a reduction in costs for insurance companies (amongst others SZV). The country of St. Maarten benefits in many aspects by the possibility offered by SMMC to treat more patients on-island.

## Result and Revenue

SMMC has recognized a net consolidated profit after tax of ANG 945,960 for the year ended 31 December 2019 (ANG 1,497,413 in 2018). This is in line with the profit expected from the business case that formed the basis for the new hospital project. Also, in 2019 SMMC the medical treatments increased, leading to a total consolidated turnover of ANG 88.9 million (ANG 81.0 million in 2018). This supersedes the projections in the business case for the new hospital: a turnover of ANG 63 million for 2019 was expected. This provides a basis for the realization of the business case projections. Most notably contributing to the additional revenue were Urology, Pediatrics, Cay Hill Pharmacy, Radiology and the Diagnostic services. Time and effort were invested in bringing in new rotating specialists, which increased the cost but per balance was also a main contributor to the revenue increase. Especially Ophthalmology that was planned only to start in 2020 already contributed to the results recorded in 2019. SMMC is now providing almost all general hospital services.



Except for the more complex care like, for instance, Orthopedic surgeries. These complex procedures are still part of the international medical transfers. In general, 2019 revenue increased thanks to the expansion of existing specialties and therewith SMMC came closer to achieving its mission of providing quality care close to home.

## Cost

Operational costs in the year 2019 substantially increased versus 2018. However, the total cost exceeds the multi annual business case projections and this is compensated by the higher turnover. The increase in salaries and wages is a result of the increase in gross salary per employee, increase in number of staff as well as the need to hire specialized staff. Most notably, the higher allowances contributed to improved staff benefits. General expenses went up as a result of hiring different consultants to speed up the organizational change and improvements. And especially the housing and maintenance cost increased due to the fact that the current building is outdated and constant repairs are needed to guarantee safety and keep the facility up and running. Apart from the operational cost, also the medical expenses have risen due to increased medical production, more medication, more medical supplies and more medical specialists have been deployed.

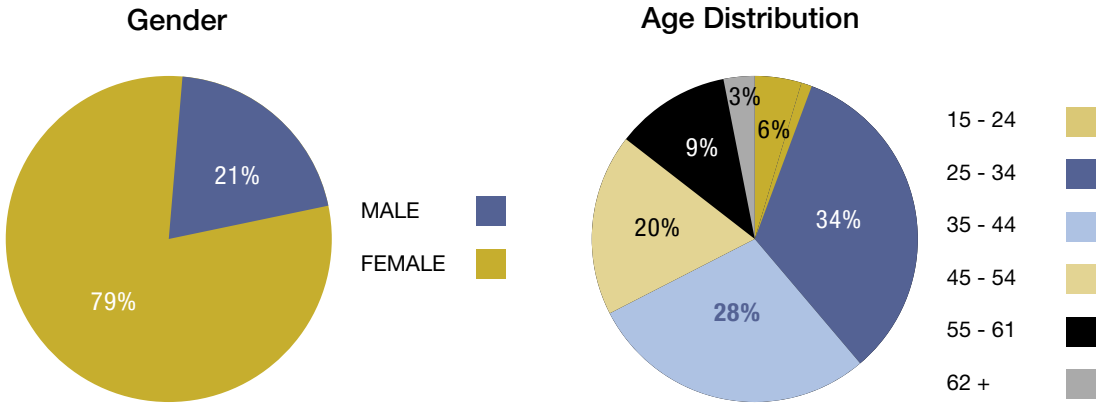
In general a strong rise in cost is seen for medical specialists (rotating) as well as in allowances (for own pay roll specialists based on new remuneration regulation). The “investments” in these specialists contributed strongly to the number of patients that were treated within SMMC and hence the realization of the business case.

The non-collectible Accounts Receivable is based on management estimates. The bigger part of the dotation to provisions is contributed to the non-connectible outstanding payments for Self-Responsible (non-insured) patients. For the other income lines (SZV, private insurance companies and BES), no major additional dotations were needed. Which might indicate an improved control on this process. For the collection of the Self-Responsible patients, more actions are being implemented to tightening the procedures for payment arrangements and external collection agencies. However, the reality is that part of the population is living on St. Maarten (resident) but are not entitled to a PPK card and consequently is not insured via SZV or elsewhere, partly also because work permits are not in place. In line with the medical profession, SMMC is proud of delivering care to all people in need. Nevertheless, the medical bill for these mostly low paid workers remains uncollected for SMMC. This adds to the revenue, but after a year adds to the cost for additional provisions.

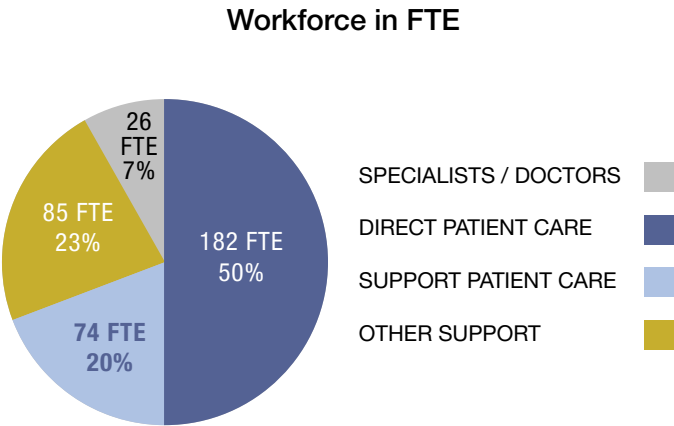
# HUMAN RESOURCES

## Human Resources Dashboard and Highlights

Per the end of 2019, SMMC staff was at 79% females and 21% males from which 3% fall into the pension age, a considerable drop from the previous year which had 12% in the pension age. The female/male ratio showed an 3% increase in female staff ratio compared to the year before.



By the end of 2019 SMMC had a total number of 367 FTE, up from 343 in 2018. This increase in number employees is essential in supporting the ongoing expansion of medical services.



## QUALITY AND SAFETY

### Patient Safety

The Hospital Safety Plan was finalized in 2019 and includes goals, framework and sub-projects to be executed in order to better create a culture of safety within the organization.

### Patient Satisfaction Surveys (PSS)

In 2019, the Department reviewed the current Inpatient (IP) and Outpatient (OP) Patient Satisfaction Surveys and determined a more robust evidence-based survey was needed to gather appropriate measurement data. Therefore, the IP and OP surveys were rewritten and aligned with HCAHPS and NHS survey standards to gather more quality data to link to dashboard resulting. The Sr. Quality Officer presented quarterly PSS results to the medical specialists by specialty, and to IP and OP nursing supervisors. This initiative has fully engaged staff in receiving those survey results for focused improvements within the departments.

### JCI Accreditation

In 2019, the focus of JCI Accreditation progress with standards focused on GLD and IPGS chapters.

#### GLD

- The GLD chapter was worked line by line and facilitated with the General Director and Legal Counsel. This chapter focuses on duties and responsibilities of the Supervisory Council, Board of Directors and MT and actionable items are relayed by the General Director to these parties.

#### PSG

- Meetings were held with pharmacy, Q&S and ICT software team around methods to better develop a medication formulary to identify and flag high risk medications and concentrated electrolytes within the system. A medication audit of the medical/surgical ward was performed under the direction of the Cayhill Pharmacy and presented to the nursing/medical staff along with the Pharmacy.
- A Hand Hygiene (HH) Program was created with the coordination of the HIC Department and fully implemented. All staff were required to take this training, including medical specialists, nurses, support staff, and third-party contracted staff and consultants. Participating staff were provided live knowledge-based training in via PowerPoint, followed by a theoretical test of that knowledge and hands-on competency-based procedure testing.

Strategic JCI planning was re-discussed and methods to motivate staff around JCI standards to elevate quality and safety. A new approach in having Chapter Teams was introduced, a new form of planning and scoring will initiate in 2020. This will take the burden of the entire chapters away from the Q&S team and allow the department to serve as an advisor rather than complete operational duties.

A Hand Hygiene Compliance Program ensued and compliance is measured through direct observation audits (120 per month total) which are analyzed and reported throughout the organization. All staff on all wards within the IP setting are observed, as well as emergency room and hemodialysis departments. Compliance rates on HH observations are posted on all wards and presented to management quarterly.

## FACILITIES

### SMMC Support Center

As a result of the continued expansion of medical services, available work space at SMMC has become a challenge to the point that additional facilities are needed to accommodate the growth of the organization. As such, the SMMC Support Center was established in Madam Estate. The Finance, Human Resources and Medical Archives departments were relocated to this site, which is a temporary solution as all departments will move into the new hospital building once construction is completed. The Facilities Department was instrumental in renovating and outfitting the Support Center with the proper access control, cabling for ICT purposes and work space adjustments.

### Building Maintenance

After the first World Bank mission in 2018, the 'Hospital Resilience and Preparedness Project' was completed which consists of documents describing the 3 main components of the project as mentioned in the Finance chapter, being:

**COMPONENT 1** - Building and launching of the new hospital (US\$ 17M).

**COMPONENT 2** - Transition and Contingency Plan for Sint Maarten Medical Center (US\$ 7.7M)

**COMPONENT 3** - Project Management (US\$ 300K)

The Essential Upgrades to SMMC (main building, Care Complex) were agreed on as part of component 2 are listed below including their status report.

#### Essential Upgrades

Essential Upgrades	Date of Completion
OR Renovation	Q2 2020
Construction of Dialysis Expansion	Q2 2020
Construction additional Patient Rooms & New OR Complex	Q2 2020
Fire Detection & Alarm System (Phase 1)	June 2020
Access Control System	June 2019
ICT Upgrades	August 2019
Preparation for Support Services Building	November 2019
Generators	June 2020
Auxiliary Care Facility	September 2020
Medical Gas Distribution System	Q2 2020



## ICT

### Hospital Information System

SMMC uses the Evident system to capture and manage hospital information. The HIS system is fully implemented however has numerous challenges, mostly attributed to SMMC not being a USA based hospital and external internet speed issues. During 2019, as a result of optimal performance audits, trainings were conducted for several departments with regards to Evident's Thrive (an improved user-interface) implementation, which is part of its optimization process.

### Other ICT Projects and Activities

In 2019, due to the growth of medical specialties and the needed space, office space for administrative staff became scarcer. In order to address this issue, the HR and Finance Departments relocated to an office building in Madame Estate (called the "SMMC Support Center") for which the building was priorly outfitted by the ICT Department with access control, phone lines, cabling, server connections and the installation of all PC work stations.

In 2019, a network upgrade was completed and extra bandwidth was purchased resulting in faster internet speeds. Approximately 55 cameras were installed as a security enhancement and a larger UPS for the server room was installed. ICT Helpdesk Technicians received trainings in an effort to reduce user support waiting time.

## STRATEGY & BUSINESS DEVELOPMENT

### KPI Dashboards

In order to become a quality driven organization, the development of KPI (Key Performance Indicator) dashboards help organizations with monthly target reviews per department. SMMC engaged Performance which is a data solution provider for the healthcare sector, to further develop KPI dashboards that can be used by the management team for periodic reporting and general performance review.

### Fit for the Future Program

As SMMC is transitioning as an organization from its current form towards the new St. Maarten General Hospital (SMGH), a transition program has been developed in partnership with FWG Progressional People, a human resource analytical firm specialized in the healthcare sector. This plan is formally called the 'Fit for the Future program' and deals with assessing the future needs of the SMGH organization and providing staff training where needed as we become a new general hospital. Throughout 2019, core values were established and meetings were held with management, supervisors and the union as input for the final FTTF program.

### Strategic Partnerships

#### SOCIAL & HEALTH INSURANCES (SZV)

Structural meetings continued with SZV to discuss, among other subjects, GP care outside office hours (Medical) as well as the shared objective to decrease the number (and costs) of medical referrals abroad. As this also relates to a Development Policy Operation (DPO) that Government concluded with the World Bank, SMMC was requested to set up a cooperation agreement between SZV and SMMC.

#### ZORGVERZEKERINGSKANTOOR BES ISLANDS (ZVK)

In 2019, a 'ZVK counter' was created in the Outpatient department, to cater to the (logistic) needs of our BES patients. The ZVK counter focuses on efficient planning of (multiple) appointments and guiding patients to their appointments to optimize travel from and to Saba and Statia. On the topic of medical referrals, the addendum to the care contract and the referral portfolio were placed on the agenda (Legal).

#### SYNERGY MEETING

SMMC hosted the Synergy meeting which took place on November 15, which had as topic 'Prevention'. Synergy is a quality platform for health care stakeholders on St. Maarten, Saba and St. Eustatius.



## COMMUNICATIONS

### Launching New Medical Specialties

In 2019, several new specialties were launched including Urology, Neurology and Pulmonology in the brand-new multi-purpose clinic and the expansion of Dialysis services. The new multipurpose clinic was officially inaugurated in May via a special launching event with all stakeholders invited. The Communications Department actively assisted with organizing of the event, facilitated press interaction and press publications.



### ER Video

An animated video was launched aimed at educating patients and the general public about when to visit the SMMC's ER and what conditions are deemed non-emergency and the patient should visit their family doctor instead. The video also outlines the procedure at the ER from check-in, triage examination by a triage nurse, assignment of colored wrist indicating a patient's emergency level, checking up on an ER patient every 30 minutes by a triage nurse and the ER opening hours. The ER video was communicated to the general public via SMMC's website, social media channels, newsletter, in-house TV screens and at the various family doctor's TV screens.

### RFP for Brand Identity Development St. Maarten General Hospital (SMGH)

Although the planned construction was delayed during 2019 due to administrative procedures involving the general contractor's parent company, the site hand-over to the contractor was officially completed on December 30, 2019. During 2019, preparations were made to tender the SMGH brand identity development project through a Request for Proposals (RFP) process for which the RFP document was prepared by the Communications Department.

## LEGAL

### General

The Legal Department of SMMC deals with all legal matters of the hospital as well as the handling of complaints. The department consists of a legal counsel and a legal assistant. The legal counsel of SMMC is also the Secretary of the Board of Directors and the Complaint Officer. In April 2019 the former legal counsel left the organization and the position was filled in July 2019 by the current legal counsel.

### New Hospital (SMGH)

Since December 2018 the construction company for the new hospital building, INSO, has been involved in a so-called Extraordinary Administrative Procedure (EAP) in Italy, a procedure to protect a company with financial issues from its creditors. The legal counsel has been and will be supporting in the discussions - between SMMC, the consortium of Lenders, and INSO - pertaining to this matter. Coordination takes place with lawyers from St. Maarten, Curacao and Italy. For the execution phase the legal counsel advises on legal matters such as compliance to the Grant Agreement and reviewing contracts to be signed for the different projects. The new hospital project and signed agreements will be monitored on legal aspects.

### Grievance Mechanism (SMGH)

In 2018 the SMMC signed a Grant Agreement with the World Bank (WB) to receive a USD 25 million grant from the St. Maarten Recovery, Reconstruction and Resilience Trust Fund that is funded by the Netherlands and managed by the World Bank. The funds are allocated to be spent on the new Hospital, the transitional phase in the current hospital building, and project management. Under this agreement, it was mandatory to establish a complaint handling policy (also called Grievance mechanism) related to (construction) work done by WB funding. The policy was introduced in Q3 2018 and is meant for neighbors that are affected by the construction work or companies that are affected by procurement procedures or with issues in execution of the works. The legal counsel/complaint officer is chairperson of the complaint committee for the duration of the World Bank project.

Bi-yearly the SMMC hosts a stakeholders meeting, to inform them of the SMGH construction process and give them the opportunity to ask questions. The grievance mechanism is discussed during every meeting. In the year 2019, no complaints about the construction were submitted to the complaint committee and/or the complaint officer.

### Contracts

Contract templates (medical specialist, call-ups, other employees, definite/indefinite contracts) have been established and are in use by the HR department. The Legal Department will remain reviewing all labor contracts.

### Complaints and claims SMMC

Complaints and claims from patients, visitors and/or health representatives are handled by the legal counsel/complaint officer. In 2019 the internal complaint handling policy was revised to be implemented in 2020.

In the year 2019 a total of 34 new complaints were submitted to the complaint officer. The complaints concerned the following (certain complaints addressed more than one topic):

- 17 complaints about attitude/behavior, or the manner of communication by physicians, nurses or other staff. These have been addressed by the Medical Director, Financial Director and/or the Manager Patient Care.
- 11 complaints about medical treatment/patient care.
- 3 complaints about billing.
- 2 complaints about the waiting lines at the registration offices. These complaints have been addressed by the Financial Director and the Concern Controller. Suitable measures were taken to reduce the waiting times and lines.
- 1 about parking; this was solved with a stricter parking policy for staff.
- 1 about patient privacy.
- 1 about missing personal items.

The complaints have been answered in writing or have been discussed in a personal meeting with the complainant, the complaint officer, and the Medical or Financial Director and/or the Manager Patient Care.

In 2019 the legal counsel has continued to coordinate pending medical liability cases with SMMC's medical professional liability insurance company MediRisk. Two new cases were referred to MediRisk; one case is still under investigation and the other one is closed.

### **Inter-Island Complaint Committee**

In the year of 2019 the new legal counsel/complaint officer was introduced to the members of the Inter Island Complaint Committee. This committee was set up to handle the complaints of patients that are not satisfied with the outcome of the complaint handling within the SMMC. The Complaint Officer will continue to join meetings of the Inter Island Complaint Committee, and will familiarize the patients with the existence of the Inter Island Committee. No complaints pertaining to SMMC were submitted to the Inter-Island Complaint Committee in 2019.



## PLACE TO LEARN

SMMC is a learning environment that keeps the community abreast of medical developments and encourages staff to remain up-to-date and educated in their field.

In 2019, there were five students who interned from the Instituto pa Formashon den Enfermeria (IFE) in Curacao and four students interning from the Netherlands. In addition, there was one intern originating from St. Maarten Academy PSVE, two from Sundial School and one from the Vocational Training School. The hospital also catered to ten LPN and ten RN students from the National Institute for Professional Advancement (NIPA).

In 2019, 11 nurses graduated from the ACLS course and offered ten lectures and courses to staff (e.g. Calculus, Blood Transfusion, CPR, CTG's, Critical Care, PEARS, Neonatal Care courses). This was also used as a platform to launch of SBAR, a Nursing reporting system.

SMMC held a training session for 30 after school teachers where they concentrated on CPR, first aid, nutrition and hygiene. SMMC's Education Department also offers educational opportunities for the community. In this light, three orientation visits were organized for secondary school students to the hospital.

Through the Education Department, SMMC seeks to contribute to the advancement of the community and of SMMC staff. This advancement leads the future to a better, higher quality of care.





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