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Annual Report 2023

Delivering seamless,
integrated and coordinated
patient-centered care



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Report of the Supervisory Council

On June 20, 2024, the Supervisory Council (SC) of the St. Maarten Medical Center (SMMC) approved the Consolidated Financial Statements for 2023, which were audited by BDO St. Maarten B.V.

The Foundation St. Maarten General Hospital, operating as the St. Maarten Medical Center (SMMC) is a private foundation established on St. Maarten and registered with the St. Maarten Chamber of Commerce.

The Foundation is governed by its [2018] statutes, which in article 18 confirms compliance with the St. Maarten Corporate Governance Code; the SC is responsible for oversight of the Board of Directors (BoD) as well as the general functioning and quality of care of the Foundation.

The SC has established a fixed schedule for most of its regular meetings as well as for the committee meetings; the regular monthly meetings take place every third Thursday of the month in person and virtual.

The SC met with the Board of Directors 11 times during the course of 2023. In addition to the regular monthly meetings there were also numerous committee meetings; Audit Committee [7], Quality and Safety Committee [4], St. Maarten General Hospital (SMGH) Committee [7], Recruitment Committee and meetings with the Medical Staff Board [2]. Membership of the SC is in accordance with the SC retirement schedule, with terms lasting a maximum of four [4] years.

Composition Supervisory Council

On December 31, 2023, the Supervisory Council consisted of the following members:

- **Ms. Sandy Offringa**, Chairperson
- **Mr. Jimmy Challenger**, Vice-Chairperson
- **Mrs. Silvia Meyers-Olivacce**, Secretary
- **Dr. Heidi Chumley**, Member
- **Mr. Sherwin Casper**, Member
- **Mr. Wayne Johnson**, Member

Mr. Wayne Johnson was appointed in November 2023 as the newest member of the SC in 2023. The SC looks forward to a fruitful working relationship with all its members who each bring their own valuable expertise and experience to the SC.

Recruitment Committee

The recruitment process to fill the positions of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) continued in 2023. The appointment of the CEO was confirmed and approved by the Council of Ministers (COM) at the end of December 2023. Thereafter the SC continued with the contract negotiations and anticipated the official appointment at the beginning of 2024. The Supervisory Council, supported by the Recruitment Committee and Deloitte, selected a final candidate for the CFO position after thorough assessment by Deloitte consisting of several interviews and competency tests. Unfortunately, the appointment could not be completed and the quest to acquire a CFO therefore continued. The finance function continues to be secured by Mr. H. Gittens, director of Versant Accountants & Consultants.

Membership: Sandy Offringa, Committee Chair, Dr. Heidi Chumley and Jimmy Challenger, Committee Members.

Quality and Safety Committee

Quality and Safety Committee is a committee of the Supervisory Council as per article 9:17 of the Articles of Association, which supports, informs, and advises the Supervisory Council in supervision related to patient care. The Quality and Safety Committee works closely with the Board of Directors, providing support in addition to supervision.

Meetings were held on the following dates: March 8, 2023; May 24, 2023; August 23, 2023; and December 13, 2023. At each meeting, there was a structured report from the Quality and Safety Team based on the three hospital quality activities that make up the quality infrastructure: hospital committee activities; key performance indicator monitoring; and quality programs. Progress towards Joint Commission International (JCI) accreditation was covered under quality programs.

Important progress was made in several areas. Hospital committee work matured with more consistent activity and reporting. Clinical guideline production continued with 10 new guidelines completed, the initiation of audits, and movement to a digital management system. The Patient and Family Panel was re-instituted. The patient satisfaction survey, reported on a scale of 1 to 10, remained above goal of 8 throughout the

year. Leadership safety rounds were conducted by a multi-disciplinary team, focused on patient safety. In 2023, they identified 24 action points, and closed 16 by the end of the year. The number of complaints decreased and timeliness of closing complaints improved. JCI work continued with a focus on the 160 standards that require written documentation. Timeline to JCI accreditation remains approximately one year after transition to the new hospital.

Key challenges noted during the year included continued underreporting of adverse events. Underreporting is common as quality programs begin and is being addressed with training and culture work.

Overall, the Supervisory Council believes the quality program is progressing at pace and has confidence in SMMC's ability to develop and run a quality program that decreases errors and enhances patient care.

Membership: Dr. Heidi Chumley, Committee Chair; Jimmy Challenger and Sandy Offringa, Committee Members. Management representation included Dr. Felix Holiday, Medical Director/Interim CEO and the SMMC Quality and Safety Department.

SMGH Committee

The construction of the new St. Maarten General Hospital continued in 2023. The SMGH Committee continued with regular meetings gaining insight into updates, including construction site visits. We have engaged in assisting in stakeholder management activities by gaining more insight into the timeline and providing the necessary board approvals in support of increased funding and ensuring that the project comes to a successful completion.

Membership: Jimmy Challenger, Committee Chair; Sherwin Casper and Silvia Meyers-Olivacce, Committee Members. Management representation included Dr. Felix Holiday, Medical director/Interim CEO and SMGH Project Manager Henk de Zeeuw.

Audit Committee

The Audit Committee met on a monthly basis and continued to engage in discussions and recommendations with the audit department and external auditor BDO, to identify and address enhancement of our IT environment, security of inventory and accounts receivables provision, among other key quality control indicators.

Membership: Sherwin Casper, Committee Chair; Jimmy Challenger Committee Member. Management representation included Dr. Felix Holiday, Medical Director/Interim CEO and the Finance Department.

Financial position

Financial results for the SMMC for 2023 continued to reflect positive net results despite major equipment challenges, building on the previous year's achievements. We commend our Medical Director /Interim Chief Executive Officer (CEO) Dr. Felix Holiday and the management team for remaining committed to the task of sound financial management and continued provision of quality care to the community of St. Maarten and neighboring islands.

We note the challenges identified by our external auditor to improve internal reporting and control systems. Considerable efforts to improve internal reporting and control have led to an improved audit opinion for 2023.

Word of Thanks

There were a number of improvements noted during the year, including the expansion of medical services such as a vascular laboratory and pulmonary diagnostics. We recognize the management team's effective planning and execution to ensure that the provision of care is supported by the required upgraded medical equipment and positive work environment for its medical personnel.

To our major stakeholders, including the Government of St. Maarten, the SZV, Financiers, Private Insurers, Suppliers and Customers of SMMC, we thank you for your continued support. Finally, we would like to extend our gratitude to the management and staff of SMMC for their hard work and dedicated service. The Supervisory Council deeply appreciates all of your efforts.

Supervisory Council,

Sandy Offringa, Chairperson
Jimmy Challenger, Vice-Chairperson
Sylvia Meyers-Olivacce, Secretary
Dr. Heidi Chumley, Member

Sherwin Casper, Member
Wayne Johnson, Member
Gerard Berkel, Member (as of February 1, 2024)



Board of Directors Report

General

In 2023, Foundation Sint Maarten General Hospital (hereinafter "SMMC") remained steadfast in its commitment to being a quality-driven organization, continually measuring the outcomes of initiatives through Key Performance Indicator (KPI) monitoring and reporting. While the physical construction of the new hospital (the house) progressed, our organization also advanced in building the framework of "soft assets" (the home), where the quality of our operations and methods is constantly assessed and improved.

Our 2023-year plan was anchored by five strategic themes, reflecting our motto, "Delivering Patient-Centered Care, Close to Home." These themes are:

- 1 **Fit for the Future**
- 2 **Quality Care**
- 3 **Patient-Centered Care**
- 4 **International Medical Services**
- 5 **Alliances with Healthcare Stakeholders**

All departments structured their 2023 objectives around these strategic themes to collaboratively work towards the annual organizational goals. They also provided monthly reports to track progress towards quarterly milestones.

Initiatives to improve and expand services

This year, SMMC benefitted from initiatives designed to enhance the organization's capabilities, some of which originated in 2022. Investments were made in medical equipment and renovations of existing operating theaters were completed. Ongoing education for both medical, nursing and supportive staff facilitated personal and professional development through various training programs and courses.

In the third quarter of 2023, we opened a new Vascular Laboratory, generating revenue of ANG 383K. The Central Sterilization Department underwent significant repairs, and we welcomed an additional permanent Anesthesiologist to our team.

We continued to enhance our internal billing reconciliation procedures with improved controls. These advancements have significantly reduced errors in the documentation and billing process, leading to an upgraded external auditor's opinion on the financial statements. After many years of a disclaimer of opinion, the auditor was able to issue a qualified opinion in 2023 regarding reported revenue and related accounts receivable. While this is a significant achievement, management will continue to pursue further improvements in internal controls with the goal of achieving an unqualified opinion in the near future.

The strategic steps described above not only sustained our positive financial performance

but also significantly strengthened the hospital's capacity to provide comprehensive and enhanced healthcare services.

The expansion of SMMC's and Cay Hill Pharmacy's (CHP) services align with broader public health strategies aimed at reducing the number of foreign referrals. By bolstering and broadening our local hospital's service capacity, we ensure that the healthcare needs of the community are met locally, reducing the necessity for patients to seek treatment abroad.

Medical Income

In 2023, the combined revenue of the hospital and pharmacy surpassed budget expectations by 2% and increased by 1% compared to 2022.

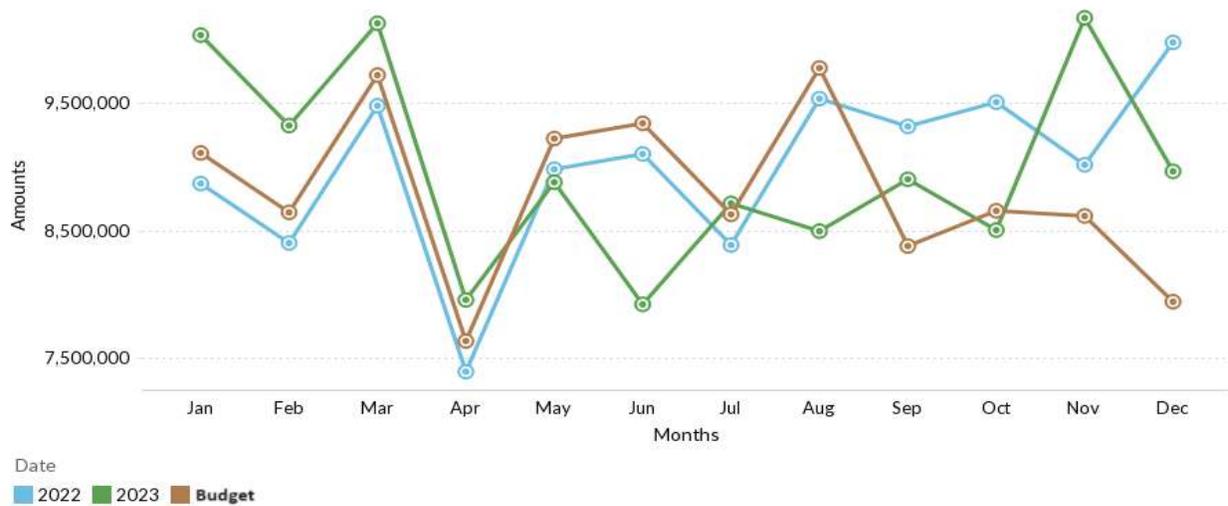
	Medical Income [in million ANG]			Net Result [in million ANG]		
	2023	2022	2021	2023	2022	2021
SMMC	107.30	107.90	92.90	3.42	6.24	3.70
CHP	9.50	7.90	10.60	[0.28]	[0.44]	0.30
Total	116.80	115.80	103.50	3.14	5.80	4.00

A consolidated surplus of ANG 3.1 million was realized compared to a surplus of ANG 5.8 million in 2022. The primary drivers of the lower results include a decreased gross margin, higher personnel expenses, and increased depreciation costs. Direct medical expenses rose by 6%, while combined revenue only increased by 1%. Consequently, the group's gross margin decreased from 75% in 2022 to 73% in 2023, with the combined gross margin decreasing by ANG 0.7 million.

The trend in the monthly performance of SMMC can be seen below.

From January to April, revenue exceeded that of the corresponding months in 2022. However, from May through October, revenue declined compared to the same period in the previous year, primarily due to operational downtime of one of our two sterilization machines starting in May 2023. This issue persisted throughout the summer, limiting our capacity to perform elective surgeries. In November 2023, a revenue spike realized by performing backlogged operative procedures, partially corrected the declines experienced during the summer months, and December 2023 saw a normalization of revenues. The corrections in November and December stabilized SMMC's income at the 2022 level.

SMMC Medical Income

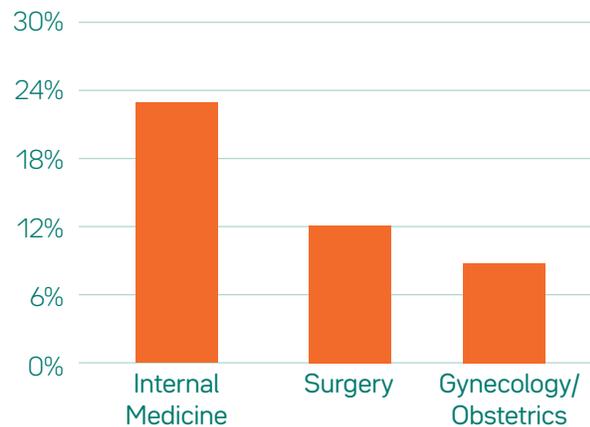


A change was made in the policy regarding the recognition of revenue for long-stay patients. Revenue was corrected downward by approximately ANG 700K due to low-to-no collection perspectives. As a result, SMMC registered a shortfall of ANG 700K compared to 2022.

In terms of total revenue, Internal Medicine [23%], General Surgery [12%], and Gynecology [9%] remained the leading contributors to SMMC's revenue in 2023, collectively making up 44% of the total revenue. In 2022, these same categories—Internal Medicine [24%], General Surgery [13%], and Gynecology [9%]—contributed 45% to the total revenue. The image above shows the graphical representation of the percentage of total revenue in 2023 from the three specialties in 2023.

Percentage of Total Revenue 2023

Top 3



SZV remained the largest contributor to the revenue of the foundation. Of SMMC's medical income, 72% of total revenue in both 2023 and 2022 was contributed by the funds managed by SZV. Of CHP's medical income, 68% of total revenue was contributed by the funds managed by SZV compared to 60% in 2022.

Revenue generated from Zorg en Jeugd Caribisch Nederland [ZJCN] for patients from Bonaire, St. Eustatius, and Saba [BES] increased by 12% compared to the previous year. This accounts to 13% of the total revenue in 2023. The rise in ZJCN's revenue share can be attributed to the expansion of medical services provided to patients from Saba and St. Eustatius, who were previously being referred to other countries in the region.

Revenue from non-resident patients increased by 37% compared to 2022, reflecting a rise in the number of tourists and regional patients seeking medical services.

Revenue from uninsured patients amounted to ANG 6.2 million, representing 6% of SMMC's total revenue. This reflects a decline from the ANG 8.3 million generated from this group in 2022. Collecting payment from uninsured patients continues to be a point of concern, as the percentage of actual collections from this group remains low. Management has taken proactive steps to address this issue. These measures include: [1] improving policies and procedures during intake, [2] engaging a collection agency, and [3] continuously raising the matter with the government of St. Maarten. Unfortunately, the efforts with the government have not been fruitful to date.

Income from patients insured at private insurance companies (and entities with which SMMC has direct coverage agreements) experienced a decline of 35% in 2023. This group accounted for 2% of the total income, representing a decrease from the previous year. The reduction in revenue from this group can be attributed, in part, to the implementation of a significantly higher income-level threshold for residents covered under the ZV/OV fund. In August 2022, the threshold was increased, resulting in more individuals being covered by SZV.

Expenses

Collectively housing, office expenses, and general expenses saw a marginal increase of 3.7%, amounting to ANG 440K. This increase was primarily driven by costs related to parts for a non-operational sterilization machine, higher maintenance, janitorial service expenses, telephone, printing, internet, software, license fees, and travel and lodging expenses.

Personnel costs increased by 3% in 2023, representing 48% of revenue compared to 47% in 2022. The increase in personnel costs was primarily driven by increased provisions for cessantia and jubilees. SMMC had 445 persons on payroll, including 26 call-ups (employees with zero-hour contracts, equating to 9.37 FTE). Meanwhile, CHP had 9 employees on the payroll, comprising 6 full-time and 3 part-time workers. This resulted in a total of 454 employees in 2023 comparable to the 446 employees in 2022.

The increase in depreciation costs (ANG 2.3 million) is primarily due to increased investments in buildings and building improvements, which are to be depreciated in an accelerated manner as they are intended to be retired when the current hospital is demolished in the second quarter of 2026. The increase in depreciation costs is largely offset by the amortization of World Bank grants, as most of the assets subject to accelerated depreciation were financed by these grants.

Bad debt amounted to ANG 8.7 million, which is 8% lower than in 2022 (ANG 9.5 million). The lower bad debt correlates with the decrease in income from uninsured patients. However, the higher absolute number reflects an increasing need to provide for receivables from insurance companies and direct business as well.

The write-off of uncollectable medical bills continues to be a significant issue for the organization, and management is committed to ongoing efforts to reduce this loss of income. It is acknowledged that a portion of the population in St. Maarten is not entitled to an SSA card (Social Security health insurance card) for the underprivileged and therefore remains uninsured. However, as the only hospital care institution on the Dutch side of the island, SMMC recognizes its social obligation to provide (emergency) care to all individuals in need, regardless of their ability to pay. The medical bills incurred by uninsured individuals often go uncollected, placing the burden on the foundation. To address this challenge, management has been actively seeking and will continue to pursue collaboration with the Government of St. Maarten to find a sustainable solution to support the costs associated with medical care for uninsured (often undocumented) persons on the island.

Construction in progress

As of December 31, 2023, construction in progress amounts to ANG 76 million, with a significant portion (ANG 73 million) allocated to investments in the new hospital. As of the balance sheet date, ANG 30.6 million has been contributed through Component 1 of the grant from the St. Maarten Recovery, Reconstruction, and Resilience Trust Fund, funded by the Government of the Netherlands and managed by the World Bank. Approximately ANG 26 million was contributed through drawdowns from the consortium of lenders, and ANG 12.4 million by SMMC's own contributions to the project so far. Additionally, ANG 3.9 million capitalized interest is included.

In 2019, the foundation embarked on the construction of a state-of-the-art, well-equipped new General Hospital featuring 104 beds, with an initially projected investment of ANG 182.6 million. Construction on the main building began in 2021, amounting to ANG 11.3 million. However, in 2022, progress was significantly constrained due to extensive and time-consuming discussions with the main contractor about substantial global price increases for materials and shipping, a consequence of supply chain disruptions related to the COVID-19 pandemic and the war in Ukraine.

The budget and price increase discussions continued through the third quarter of 2022, resulting in a Letter of Intent (LOI) to pursue a contract amendment. The amendment entailed a construction budget increase of USD 40 million (ANG 72 million) after considering cost-cutting measures and modifications such as design optimization, changes in certain work methods to reduce construction time, and shifting responsibility for certain facilities from the contractor to SMMC. An additional ANG 9 million was reserved for additional expenses and contingencies, bringing the

new estimated budget to ANG 263.6 million. The contract amendment, known as the 4th amendment, was ultimately signed in February 2023.

To secure financing for this significant capital budget increase, SMMC engaged all stakeholders to ensure their commitment to the completion of the new hospital despite the cost overrun. This commitment was secured from the consortium of lenders, the World Bank, and SMMC itself. The business case for the new hospital was updated and received the commitment of the Government and SZV towards its achievement.

As a result of these developments, the projected completion times for the new hospital are now October 2025 for the main building and July 2026 for the remaining project components. Barring any major disruptive events beyond its control, management remains confident that these deadlines will be met.

In 2023, significant progress was made on waterproofing and completing perimeter walls, with ongoing work on formwork, rebar, and concrete for retaining walls. Multiple water tanks were installed, with some finishing touches pending. Technical Building 1 faced delays due to mudslides but continued with formwork and rebar installations, while construction for Technical Building 2 was postponed. The Wastewater Treatment Plant's structural design was approved, with construction set to start in 2024. About 61 out of 108 seismic isolators have been fully installed in 2023. Diesel tank installations began, and rainwater tank construction progressed with foundational work completed.

Overall, 2023 saw substantial progress in foundational and structural works, despite facing several delays and challenges, setting the stage for continued development in 2024.

Key Performance indicators

The key performance indicators (KPIs) for the organization demonstrated improvement compared to 2022. In 2023, the foundation's total assets witnessed a notable increase of 13%, reaching ANG 145.5 million (2022: ANG 129 million). This asset growth was partly due to a rise in net assets, which increased by ANG 4.6 million, reflecting the surplus of income over expenses during the year (ANG 3.1 million) and a prior year adjustment relating to reimbursed sick days (ANG 1.5 million).

The solvency ratio experienced a decline from 1.73 in 2022 to 1.26 in 2023, reflecting the increase of ANG 11 million in loan drawdowns from the lenders' consortium and capitalized interest. However, the current ratio, which measures short-term assets over short-term liabilities, displayed an improvement from 2.28 in 2022 to 2.61 in 2023. This enhancement

indicates a stronger liquidity position and the ability to meet short-term obligations more comfortably. Additionally, the quick ratio, which excludes inventory from short-term assets, also improved from 2.05 in 2022 to 2.33 in 2023, further highlighting enhanced liquidity and short-term financial resilience.

Personnel costs increased slightly from 47% to 48% of revenue, indicating a relatively stable expenditure on human resources. The rise in absolute terms is ANG 1.4 million compared to ANG 6 million in 2022. The provision for impairment, a measure made to cover potential losses in receivables and write-offs, and losses due to obsolescence in stock held, decreased from 8% to 7% of income, suggesting a slight improvement in the approach to managing potential risks.

Risk Management

The management of the foundation takes responsibility for overseeing the overall risk management process. Several key risks have been identified and measures have been implemented to mitigate them.

Natural Disasters:

Given the vulnerability of the economy, which heavily relies on tourism, the foundation must remain prepared for instances of natural disasters. Programs such as Essential Upgrades have been initiated to upgrade existing buildings and facilities, ensuring their resilience during the transitional period leading up to the new hospital.

Risks Associated with New Hospital Construction:

The construction of a new hospital carries inherent risks. To mitigate these risks, the foundation has implemented a framework of controls. This includes oversight and regular reporting, engagement of expert consultants in various disciplines such as finance, legal, quality control, project management, and construction. The Management and Supervisory Council also play a crucial role in exercising accountability and responsibility to stakeholders. The successful resolution of the construction cost increase issue provides confidence that the control systems are functioning effectively.

Economic Dependence and Insurance Payments:

The foundation's income is highly dependent on the state of the economy and the ability of insurance companies to pay for the care provided. There is a risk that insurance companies,

including major provider SZV, may face challenges in collecting contributions and/or premiums from the Government, corporate institutions, or private businesses. To proactively manage this risk, management continually engages in tools and strategies to monitor and mitigate potential financial impacts.

Cyber Security:

The foundation has embarked on a Strategic ICT Plan to mitigate the risks of cyber-attacks, to guarantee the continuity and availability of electronic medical records, and the integrity of [patient] data in compliance with the applicable laws and regulations.

Pension risk with Ennia:

Management continues to remain up to date regarding the ongoing curatorship of Ennia as our pension portfolio is currently held by the same. This includes the exploration of moving the pension portfolio. However, due to contractual agreements with Ennia, there are limitations at the moment. Recently the Central Bank of Curaçao and Sint Maarten, along with the Governments of Curacao and Sint Maarten confirmed their commitment to ensuring the restoration of Ennia's solvability to mainly secure its pension policyholders. As such management has decided to maintain its pension portfolio at Ennia while continuously monitoring the developments surrounding this company. On April 11, 2024, the Central Bank of Sint Maarten published its latest update, in regard to the emergency regulation, which was placed on July 3, 2018, on Ennia Caribe Leven, Ennia Caribe Schade, and Ennia Caribe Zorg.¹

By actively identifying and addressing these risks, the foundation's management demonstrates a commitment to effective risk management and ensuring the long-term stability and success of the organization.

Beyond 2023

SMMC's management continues to actively promote and facilitate regular meetings and discussions with the management of SZV and within the tri-partite setting together with the Government of St. Maarten. Recognizing that all parties involved share the responsibility for providing sustainable healthcare for the citizens of St. Maarten, these dialogues are crucial for effective collaboration and alignment. The objectives of these meetings and discussions are twofold. First, they aim to ensure the efficient and effective execution of the care contract between SMMC and SZV. Secondly, these dialogues will serve to ensure continual alignment with the business case for

the new hospital. The business case outlines the performance expectations for SMMC, both during the transitional period leading up to the commissioning of the new hospital and after it becomes operational. Through ongoing discussions, Management can ensure that SMMC's operations and initiatives remain in line with the strategic goals and objectives outlined in the business case.

In July 2021, SMMC entered into an extension of the Care Contract with Zorg en Jeugd Caribisch Nederland (ZJCN), the health insurance provider for Saba and St. Eustatius. The contract encompassed various

¹ Central Bank of Curaçao and Sint Maarten, Ennia Resolution: Signing of the Outline Agreement, 11 April 2024, https://cdn.centralbank.cw/media/press_releases_2024/20240411_pb2024_011_ennia_resolution_signing_of_outline_agreement_eng.pdf

arrangements for medical and paramedical services. Notably, it included a commitment from ZJCN to contribute towards the cost of five additional certified dialysis nurses for the department, up to and including March 31, 2023. The contract with ZJCN expired on December 31, 2023. Management successfully negotiated an extension which went into effect on January 1, 2024, until the actual commissioning of SMGH. The extension further included the increase of the current tariffs, increase of accommodation costs for specialists visiting Saba and/or St. Eustatius, and restructuring of the application of the remuneration for said visits.

The new Collective Labor Agreement (CLA) between the Windward Islands Health Care Union Association (WIHCUA) and SMMC was signed on December 14, 2023, and will be effective from July 1, 2023, to June 30, 2026. This new agreement includes a 6% salary increase across the board, with 3% effective from July 1, 2023, and the remaining 3% effective from July 1, 2024.

In response to the recommendations outlined in the auditor's management letter issued by

the external auditor, SMMC's management is actively working towards enhancing the internal control environment throughout the organization, particularly within the finance function and financial reporting.

Through ongoing discussions and joint efforts, the specific details and measures outlined in the MOU between CHP, SZV, and SMMC will be further refined and implemented in 2024. The objective is to ensure the long-term viability and success of the pharmacy, both within the hospital and in its external operations.

We would like to use this opportunity to thank everyone, in particular our staff and the staff of CHP for their invaluable contributions and involvement throughout 2023 and we remain committed to pursuing the five strategic themes under the motto of *"Delivering Patient-Centered Care, Close to Home."*

Respectfully,

Dr. Felix Holiday

Board of Directors



Leadership

SMMC is an autonomous, non-governmental, non-profit organization. The foundation consists of two governing 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



Ms. Sandy Offringa LL.M.,
Chairperson



Mr. Jimmy Challenger,
Vice Chairperson



Mrs. Sylvia Meyers-Olivacce,
Secretary



Dr. Heidi Chumley, Member



Mr. Sherwin Casper, Member



Mr. Wayne Johnson, Member

Board of Directors



Dr. Felix Holiday, Medical
Director, Interim Chief
Executive Officer



Hyden Gittens
Versant Accountants & Consultants, temporarily executing Financial
Management activities until the CFO vacancy has been filled.



Nada Mathew,

Management Team



Antonio Pantophlet,
Manager Inpatient Care &
Education



Christina Jacobs,
Manager Outpatient Care



Erika van der Horst,
Project Manager
St. Maarten General Hospital



Michael Sargeant,
Manager Maintenance &
Facilities



Amanda Gumbs-Weijmer,
Concern Controller



Harlec Doran,
Manager Human Resources



Keith Hanson,
Manager ICT



Bonnie Dekker,
Manager Strategy & Business
Development



Janneke Lok,
Legal Counsel and Secretary
Board of Directors

2023 Highlights



- SMMC was pleased to host a visit by the Dutch Royal Family where healthcare on St. Maarten and the new St. Maarten General Hospital (SMGH) were discussed.
- Dr. Emiko Bird-Lake, SMMC Cardiologist, gave a well-attended presentation to staff on heart health. This presentation was the first in a series of informative staff lectures geared towards empowering our employees to live healthier lives.

- A delegation from SMMC went to Saba to visit the Saba Cares Foundation, the Island Council and the Executive Council. Presentations were held to inform stakeholders of the developments within SMMC. At Saba Cares, operational matters and ways to improve processes related to the services provided to patients from Saba were also discussed.
- A fire and evacuation drill was completed in coordination with the Fire Department, which was one of the Project Development Objectives (PDO) of the Hospital Resiliency and Preparedness Project, funded by the Sint Maarten Trust Fund, financed by the Government of the Netherlands, and managed by The World Bank.

January



SMMC's in-house 5-Star Customer Service trainers have been certified. These trainers will facilitate SMMC's hospitality training to all medical, nursing and supportive staff. The training sessions were previously facilitated by an external trainer.

February

March

The 4th amendment to the SMGH construction contract was signed by SMMC in the presence of the Honorable Minister of VSA Omar Ottley.

April





- SMMC participated in the 4-country meeting ('Vierlandenoverleg') that took place in Curacao in June where the progress of the Dutch Caribbean Hospital Alliance (DCHA) projects was presented.
- Employees were celebrated during the annual SMMC Anniversary and Employee Appreciation Block Party. The event featured a DJ and a live band and provided employees an opportunity to mingle and celebrate in a casual environment.
- SMMC was accredited as a work placement company by the Foundation for Cooperation of Vocational Education, Training and the Labor Market (SBB) in the Netherlands. This means that students in relevant fields can now undergo training and internships at the hospital, providing more learning and career development opportunities to students from St. Maarten, the rest of the Dutch Caribbean and the Netherlands.
- The two original Operating Rooms (OR) were renovated and outfitted with new light fixtures, new ceilings, fresh paintwork, new flooring and new OR lights.

May



- SMMC celebrated International Nurses' Day and used the opportunity to thank the more than 230 nurses and OR/Radiology technicians for their contributions to the hospital and encourage them to continue to raise the bar for nursing.
- The Cost-of-Living Adjustment (COLA) for 2023 was established by the Department of Statistics at 3.76% and applied to the relevant employees' salary per May 2023.
- SMMC's new corporate brochure, which outlines all medical specialties, was published and is available for viewing here: <https://smmc.sx/Patient-Care/Services>

June

July



SMMC met with the Ministry of Justice to discuss the medical facilities at the Pointe Blanche Prison and the work permit process at the Immigration Department. The meeting was part of the ongoing efforts to strengthen working relationships with external stakeholders.

SMMC hosted its annual Men's Health Day during which men were offered free Prostate Specific Antigen (PSA) testing as well as physical prostate exams and other health checks.



- The first total (reverse) shoulder replacement was performed by the Orthopedic team.
- Sixty Supervisors, Assistant Supervisors, Senior staff members and Human Resource professionals from SMMC participated the Prosci Change Management Training facilitated by BDO Dutch Caribbean. The training focused on the ADKAR theory for managing organizational change and aims to provide the employees with the necessary tools for guiding their teams through the process of transitioning from SMMC to SMGH.



August



September

- With the opening of the Vascular Lab, SMMC is able to perform vascular screening. The lab is located at the Outpatient Department and will assist in the diagnosis and treatment of patients with health conditions related to their blood vessels.
- Six Registered Nurses from the Dialysis Department passed their exams and are now Certified Dialysis nurses, increasing the number of specialized dialysis nurses at SMMC.
- Thirteen Registered Nurses have completed the Basic Acute Care (BAC) course as part of the training program of the Caribbean Health Academy (CARIBHA). The course was funded by the Ministry of Health, Welfare and Sports (VWS) in the Netherlands.

October



- The 2023-2026 Collective Labor Agreement (CLA) was signed after fruitful negotiations between the WICHUA and SMMC.
- SMMC hosted its annual Christmas Cheer program, a week-long musical program featuring local musicians, bands, and young students who give back to the hospital by donating their time and talent to spread holiday cheer throughout the hospital to patients, visitors, and staff alike.
- Fifty-three Emergency Room Doctors, Medical specialists, Anesthesia Assistants, and Emergency Room, Intensive Care, and Operating Room nurses participated in Advanced Critical Life Support (ACLS) (re) certification training. The training was made possible through funding from the Hospital Resiliency and Preparedness Project and was organized by SMMC's Education Department.
- The End of Year Employee Appreciation Block Party was held in December and was well-attended by staff.
- New Pulmonology equipment was installed at the Pulmonology Department. The new equipment, which includes a Fenom Pro Asthma monitor, a Body Box and the 6-minute walk test, allows for the performance of enhanced pulmonary function testing.



November



The Ear, Nose and Throat (ENT) Department celebrated five years of providing round-the-clock ENT care to patients with the addition of a rotational group of ENT specialists from the Netherlands. The group comprises of 15 Specialists with varying sub-specialties, providing all modalities of ENT care on St. Maarten.

December



Independent Auditor's Report

To: Management and Supervisory Council of Foundation Sint Maarten General Hospital

A. Report on the abbreviated 2023 consolidated financial statements

Our opinion

The summary [hereafter: 'abbreviated'] 2023 consolidated financial statements of Foundation Sint Maarten General Hospital [hereinafter "SMGH" 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, 2023.

In our opinion, the accompanying abbreviated 2023 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, 2023, 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 2023;
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 audited consolidated financial statements and our qualified opinion

We were engaged to audit the accompanying 2023 consolidated financial statements of the Foundation Sint Maarten General Hospital [hereinafter "SMGH" or "the Foundation"], based in St. Maarten.

In our opinion, except for the possible effects on the matter described in the “Basis for our qualified opinion” section, the consolidated financial statements give a true and fair view of the financial position of Sint Maarten General Hospital as at December 31, 2023 and of its result for the year then ended in accordance with Book 2 of the Civil Code applicable in St. Maarten and the Dutch Accounting Principles (insofar in compliance with Book 2 of the Civil Code applicable in Sint Maarten).

Basis for our qualified opinions

The internal control system regarding the completeness of invoicing of medical treatments and related income sources, while improved, still has deficiencies. We were unable to obtain sufficient audit evidence regarding the completeness of medical income and related accounts receivable. Consequently, we were unable to determine whether any adjustments might be necessary in respect of medical income, net result, and related accounts receivable and accumulated gain for the year ended December 31, 2023.

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 2023 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, 2023, based on our audit, in accordance with Dutch Standard on Auditing 810, ‘Engagements to report on summarized consolidated financial statements’.

St. Maarten, June 27, 2024

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

Signed by

P.C. Lungu FCCA



St. Maarten Medical Center

Abbreviated Consolidated 2023 Financial Statements

Abbreviated Consolidated Balance Sheet as at 31 December 2023

	31 December 2023 [ANG]	31 December 2022 [ANG]
ASSETS		
Fixed assets		
Intangible assets	493,157	139,115
Property, plant and equipment	91,648,954	78,349,490
Current assets		
Inventories	5,839,314	5,142,083
Receivables	21,994,945	21,311,182
Cash and cash equivalents	25,539,786	24,193,697
Total assets	145,516,156	129,135,567

	31 December 2023 [ANG]	31 December 2022 [ANG]
EQUITY AND LIABILITIES		
Equity	50,287,700	45,626,741
Equalization reserve	34,833,230	34,912,059
Provisions	9,598,392	7,507,404
Long-term liabilities	30,220,631	18,916,072
Short-term liabilities	20,576,203	22,173,291
Total equity and liabilities	145,516,156	129,135,567

Abbreviated Consolidated Income Statement for the Year 2023

	2023 [ANG]	2022 [ANG]
Net turnover	116,805,812	115,875,191
Direct medical expenses	[31,139,240]	[29,481,883]
Gross margin	85,666,572	86,393,308
Other operating income	5,164,565	2,838,647
Gross margin	90,831,137	89,231,955
Salaries and wages	55,864,930	54,445,251
Depreciation of intangible and tangible fixed assets	10,094,969	7,626,318
Other operating expenses	21,164,499	21,457,435
Total operating expenses	87,124,398	83,529,004
Operating result	3,706,739	5,702,951
Financial income and [expense]	[545,327]	127,289
Consolidated result from operational activities before taxation	3,161,412	5,830,240
Profit tax	-	-
Net consolidated result after taxation	3,161,412	5,830,240

Notes to the Consolidated Financial Statements

General Notes

The most important activities of the entity

General

Foundation Sint Maarten General Hospital formerly known as St. 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.

The basis of preparation

According to Book 2, article 58 and article 119 of the St. 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 St. Maarten Civil Code SMMC needs to report its Financial Statements in accordance with Internationals 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], 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;
- According to general use, most health care organizations on St. Maarten and in the 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 or CHP) 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.

General accounting principles

The accounting standards used to prepare the financial statements

Comparative figures

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

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 2023 that have a

risk of resulting in a material adjustment to the carrying amount of assets and liabilities in next financial year is included in the following notes:

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

Note 3 – Obsolescence of medical supplies;

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

Note 9 – Measurement of post-employment benefits obligation: key actuarial assumptions;

Note 10 – Jubilee provision: key actuarial assumptions;

Note 28 – Recognition of commitments and contingencies: key considerations.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, are capitalized. Other borrowing are recognized as an expense.

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 as Translation Exchange Rate Differences. The foundation converts all transactions at the currency exchange rate of:

USD 1 ANG 1.80;

EUR 1 ANG 2.20.

Accounting principles

Intangible 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.

Property, plant and equipment

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 expensed. Significant improvements are capitalized and depreciated over its economic lifetime. Work in progress will be depreciating when assets are taken into service. Interest costs that are directly attributable to qualifying assets under construction are capitalized.

Inventories

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

Trade receivables

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 and cash equivalents

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

Equity

The equity comprise the nominal capital account, additional paid-in capital, accumulated gains and the result of the period accounts.

Equalization reserves

SMMC has formed an equalization reserve for certain designated monetary donations. These monetary donations received will remain reserved until the assets have 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 in other income.

Provisions for pension obligations

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 principles in respect to the income statement

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 income statement.

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.

Medical Income

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

In 2017, the Foundation entered into a contractual agreement ("USZV Care Contract") with USZV for the period January 1, 2017 - December 31, 2031, of which the budget is based on an anticipated contractually fixed production. SMMC receives monthly, an annual agreed upon 'advance' to the budget which is determined annually and is paid as budget advances monthly based on the production pre-calculated (estimated). The annual settlement method states the following: (i) if an overproduction exceeds 2% of the budget, USZV will pay SMMC the exceeding part based on the tariffs as agreed between SMMC and USZV, and (ii) if an underproduction exceeds 10% of the budget, SMMC will repay the exceeding part to USZV. The 10% is needed to safeguard the minimal required services [24/7/365] including the minimum level of qualified staff and the agreed quality of care.

Other operating income

Other operating income includes: (a) other income recognized in the event of an underproduction based on the annual budget concluded with USZV and in accordance with the annual settlement agreement between USZV and SMMC; and (b) other income recognized in the period.

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 recognizes the importance of being a good corporate citizen and is continuing our efforts of positive impact on all stakeholders including employees, patients and the local community.

In 2023, the organization kicked off the year by participating in the observance of Wear Red Day during which SMMC's Cardiologist provided a staff lecture on Heart Health and World Kidney Day, which saw SMMC's Dialysis Department and Nephrologist participating in a radio tour, a staff lecture by the Nephrologist and a Facebook live session for the community.

The Obstetrics/Gynecology Department continued its efforts to raise awareness for breastfeeding during World Breastfeeding Week with a week of activities for new and expecting mothers and their partners. They collaborated with other healthcare stakeholders in the community such as lactation consultants, and external obstetrics and gynecology clinics to ensure that breastfeeding mothers had support and information.

The annual collaboration with the Positive and Elektralytes Foundations to increase early detection of breast and prostate cancers continued with a radio tour and free testing for insured and uninsured members of the community.

Throughout the year, the Human Resources and Education Departments have participated in various career and job fairs intending to introduce high school students to diverse careers within healthcare.

SMMC has also recognized the importance of a healthy work-life balance and the positive effect of exercise on both mental and physical health and as such, the 'SMMC On the Move' employee fitness program has continued. As an added incentive for employees to participate, the free program is now open to guests of employees as well. The program has also evolved into an unofficial sports club that participates in and represents the organization at various races such as the Resolution Run and the SXM Day Relay Race.

Employee wellbeing workshops organized by the Human Resources Department and facilitated by a psychiatrist continued with positive responses from staff.





Medical and Patient Care

This chapter outlines the developments made in Medical and Patient Care in 2023.

Medical specialties

Medical Specialties at SMMC

1	Anesthesiology/Pain Clinic
2	Cardiology
3	Dermatology
4	ENT
5	Gastroenterology
6	General and Vascular Surgery
7	Internal Medicine
8	Nephrology
9	Neurology
10	Obstetrics and Gynaecology

Medical Specialties at SMMC

11	Oncology
12	Ophthalmology
13	Orthopedic Surgery
14	Pediatrics
15	Plastic Surgery
16	Psychiatry
17	Pulmonology
18	Radiology
19	Urology

Adding Capacity and Staff

Ear, Nose & Throat (ENT)

The ENT clinic recently celebrated five years of being able to provide round-the-clock ENT care to patients on St. Maarten and the surrounding islands with the addition of a rotational group of ENT specialists from the Netherlands. The group comprises of 15 specialists with varying sub-specialties, allowing all modalities of ENT care to be offered on the island.

Endoscopy

The department was relocated to a designated part of the Medical/Surgical Ward and became operational in 2023. The relocation provides the department with more space and more capabilities for endoscopic procedures.

Gastroenterology

A contract was signed with a new Gastroenterology team consisting of specialists from various hospitals in the Netherlands to join the medical staff. The team will provide a comprehensive range of services starting in 2024. The consultations and diagnostics range from but are not limited to:

- Diagnostic and therapeutic endoscopy;
- Colonoscopies;
- Gastrointestinal motility studies;
- Treatment of gastrointestinal bleeding;
- Liver disease evaluation and management;
- Inflammatory bowel disease (IBD) management;
- Nutritional counseling for gastrointestinal conditions.

General Surgery

In 2023, the General Surgery Department expanded with the addition of a new Vascular Lab, headed by a Vascular and General Surgeon as well as a new laparoscopic tower for the new OR complex.

Ophthalmology

To reduce the substantial waiting list for cataract surgery, a cataract mission was completed in November. A total of 45 procedures were performed during the mission. The clinic also celebrated five years of being able to provide round-the-clock eye care with a rotational group of Ophthalmologists from Suriname.

Orthopedics

In September the first [reverse] total shoulder replacement surgery was performed at SMMC.

Pulmonology

New equipment was installed allowing for the performance of enhanced pulmonary function testing including a Fenom Pro Asthma Monitor,

a Body Box, and the 6-minute walk test.

Nursing Care

SMMC continued to focus on nursing excellence, and that included providing opportunities to nursing staff for continued professional development. Some of these opportunities were ENT audiometry equipment training, wound care, casting and repositioning training, and pain management training organized by the HAN University in the Netherlands. In addition to the opportunities provided, employees continued their commitment to their professional development with 6 registered nurses completing and graduating from the Certified Dialysis Nurse Course, 13 registered nurses completing and graduating from the Basic Acute Care (BAC) course, 13 nurses beginning the Registered Nurse course, 53 participants completing the Advanced Critical Life Support (ACLS) [re]certification course, 9 participants completing the first module of the pain management training course and 3 participants starting a course for certified anesthesia assistants. During 2023, nursing staff also attended the 5-Star Customer Service Training, and 60 Supervisors, Assistant Supervisors and Senior staff members participated in the Prosci Change Management 1-Day training organized by BDO Dutch Caribbean.

In the fourth quarter of 2023, there were 182 nursing/care staff. Efforts to recruit nursing staff to bolster the care offered to patients remain ongoing with the following nursing functions still to be filled or expanded: Vascular Lab Technician, Cardiac Technician, ICU Nurse, ER Nurse, Dialysis Nurse, and Oncology Nurse. In 2023, these functions were temporarily filled by rotational staff and recruitment efforts continue in 2024.



Performance Figures

Key Production figures

3,178 SURGERIES	4,323 ADMISSIONS	18,458 HOSPITAL DAYS	4.3 AVERAGE LENGTH OF STAY (LOS) IN DAYS
353 BABIES BORN	521 DAYCARE TREATMENTS	63,487 OUTPATIENT CONSULTATIONS	10,687 EMERGENCY ROOM VISITS
31,064 RADIOLOGY PROCEDURES	15,722 DIAGNOSTIC PROCEDURES	12,355 (HEMO)DIALYSIS TREATMENTS	1,592 CHEMOTHERAPY TREATMENTS

Outpatient Clinic visits

63,487
TOTAL NUMBER
OF OUTPATIENT
VISITS
(CONSULTATIONS)

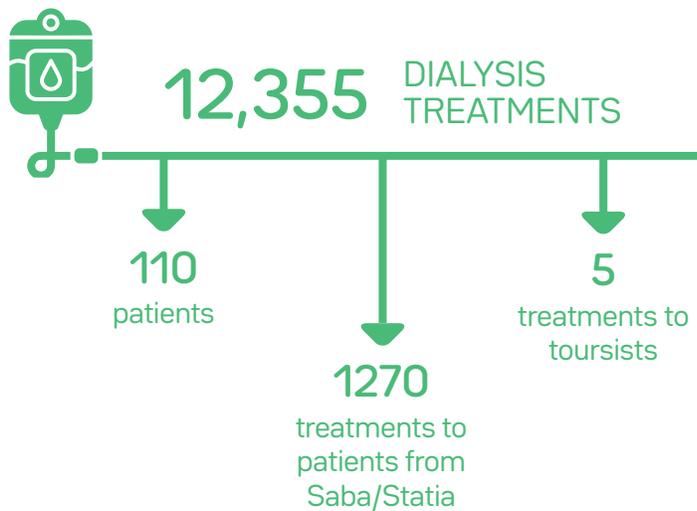
For 2023, the total number of outpatient visits (consultations) was 63,487 compared to 61,597 in 2022, representing a 3% increase. This includes urgent and inter-collegial

consultations. The increase is mostly attributable to an increase in Ophthalmology, Neurology, and ENT consultations. Notably, the number of pediatric consultations decreased by 46% due to one of the two Pediatricians leaving service after the second quarter of 2023 and the introduction of referral letters for all pediatric patients.



 Internal Medicine	5,798	 Pulmonology	963
 Nephrology	263	 Gynecology / Obstetrics	7,636
 Oncology	1,933	 Pediatrics	3,484
 General Surgery	6,495	 Dermatology	2,515
 Plastic Surgery	311	 ENT	2,949
 Urology	5,292	 Ophthalmology	10,050
 Cardiology	4,109	 Anesthesiology	3,406
 Neurology	2,401	 Pain Management	1,317
 Orthopedics	2,880	Other	1,685

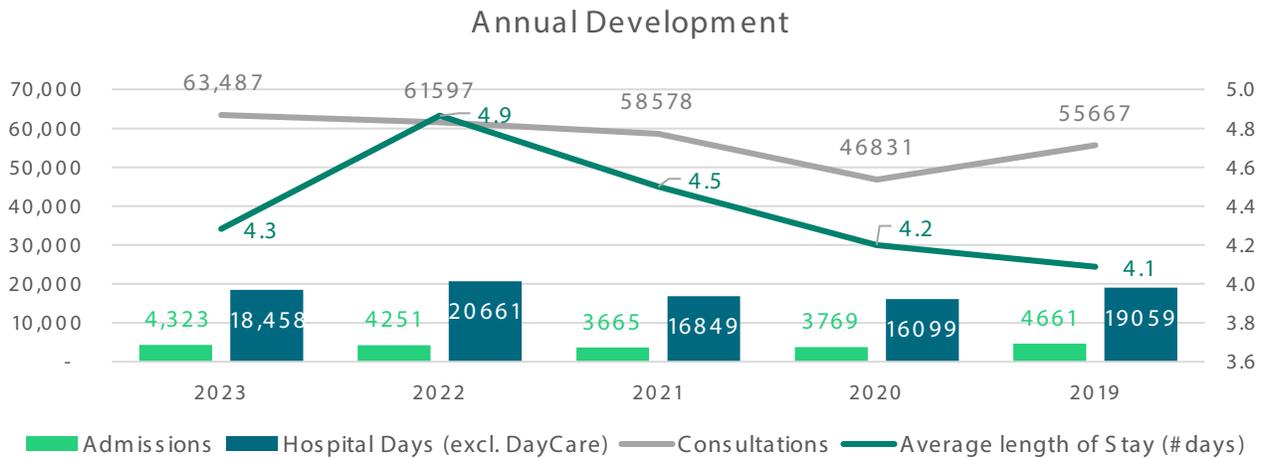
Dialysis Treatments



Radiology

Radiology	Number
Ultrasound	9,791
CT-Scan	6,816
Mammography	1,510
X-ray	10,585
MRI	1,790
Fluoroscopy	572
Total	31,064

Clinical Admissions

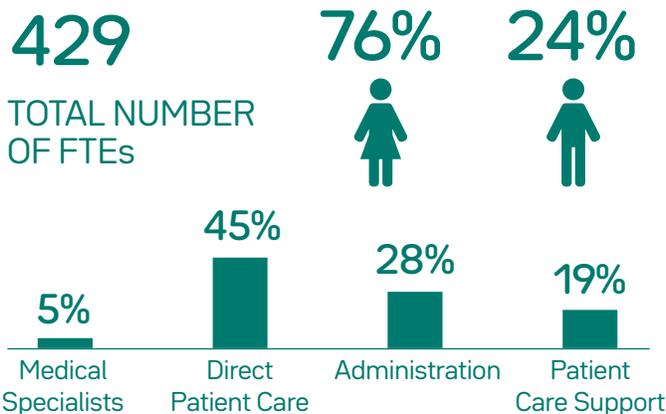


The total number of clinical admissions in 2023 was 4,323. The number of admissions is similar to 2022 [4,251] and has been stable over the year with minor fluctuations. The total number of hospital days for 2023 is 18,458, where the third quarter of the year showed lower numbers than the rest of the year, due to fewer hospital days for Oncology and Neurology patients. Of the total number of hospital days, the number of hospital days at the ICU was 510 in 2023, compared to 692 in 2022. This decrease of 36% is mostly due to fewer ICU hospital days of Internal Medicine, General Surgery/trauma, and Cardiology patients, and is partly compensated by an increased number of Neurology patients in the ICU.

The average length of stay (LOS) is calculated based on the total number of hospital days and the number of discharges. The LOS for 2023 is 4.3, which is lower than 2022 [4.9] and 2021 [4.5]. Fluctuations of the LOS can be traced back to the different specialties. In the last quarter of 2023, the highest numbers of average length of stay (hospital days compared to the numbers of admissions and discharges) were reported for Pulmonology [10.0] and Neurology [8.8].

The year average for these respective specialties was 5.8 and 10.6. The average LOS for Oncology was 7.0 in 2023, for Internal Medicine 6.6, and for Cardiology 5.7. 'Cutting' specialties (specialties that perform surgeries or laparoscopic procedures) show lower LOS numbers in 2023 as usual: ENT 1.0, Gynecology 2.8, Urology 3.1, Orthopedics 3.6, and General Surgery 4.2. Pediatrics had a year average LOS of 3.2.

Employees



2023 ended with a total of 429 FTEs in service. Medical Specialists made up 5% of the total number of FTEs with employees in direct patient care comprised of 45%. Administrative support and patient care support made up 28% and 19% respectively. This figure excludes rotational staff. SMMC's employee population is female-dominated as 76% of FTEs are women and 24% are men.

Specialists

The numbers of specialists (FTE) in service as of end 2023 are as follows:

Specialist	In Service (FTEs)
Anesthesiologist	3
Cardiologist	2
Dermatologist	1
General Surgeon	3
Gynecologist	3
Internist Endocrinologist	1
Internist Infectiologist	1
Internist Nephrologist	1
Neurologist	1
Pediatrician	1
Radiologist	3
Urologist	2
Total	22



Rotational Specialists per specialty:

Specialty	Rotational (FTEs)
ENT (Ear Nose Throat)	1
Neurology	0.3
Ophthalmology	2
Orthopedic Surgery	1
Oncology	1
Plastic Surgery	0.25
Total	5.55





Mission, Vision, and Core Values

SMMC has committed itself to the following vision and mission which are driven by the listed core values.



Vision

To be the regional leader in providing high-quality hospital care with compassion, and friendly service.



Mission

SMMC provides high-quality, accessible, affordable, and friendly hospital care in the best interest of the patient, close to home.



Core Values

We are committed to the following core values

Professionalism

SMMC is a place that excels through its staff being professional at all times.

Helpfulness

SMMC is a place where we are always willing to help each other and our patients and visitors.



Cooperation

SMMC is a place where we can only achieve our common goals by cooperating and understanding our common purpose as an organization.

Respect

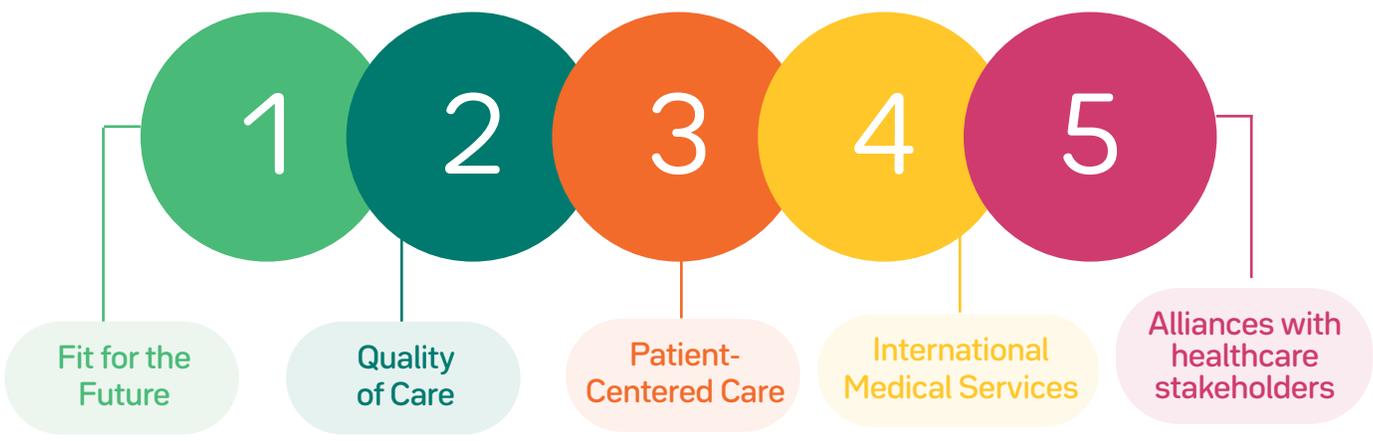
SMMC is a place where respect is continuously given on multiple levels: between colleagues and between staff and patients and visitors.

Performance on Strategic Themes



Guided by our mission and vision statements and driven by our core values, SMMC developed a 3-year strategic plan for 2023-2025 that shifted from primarily focusing on achieving annual departmental objectives to jointly working towards achieving annual organizational objectives, which are distilled from 5 defined strategic themes, as we transition from SMMC to SMGH.

The 5 strategic themes are:



As of 2023, departments centered their annual departmental objectives around these 5 strategic themes and provided monthly reporting on the progress made in achieving quarterly milestones through designated projects. This allows SMMC to be a quality-driven organization, delivering on measurable outcomes through key performance indicator (KPI) monitoring.

In 2023, the efforts were focused on the realization of the St. Maarten General Hospital Building ('the House') and the organizational transition ('the Home'), the two components that make up the "Fit for the Future" program. These efforts are aimed to deliver seamless, integrated, and coordinated patient-centered care, close to home.

Strategic Themes and Projects

Strategic Theme	2023 Organizational Objectives	Project Name	Priority
Fit For The Future	Continuous Learning & Development	L&D Program (2023)	4
	Develop & implement Target Operating Model (TOM)	Road to SMGH (2023)	5
	Focused Leadership: demand accountability	Leadership & Accountability Starts With Me	4
		Setup Portfolio Management Structure for Yearplan	4
	Improved communication top-down and bottom-up	Improved Communication	4
	Optimized finance function (cost structure per procedure)	Financial Clean Bill of Health	2
	Road to SMGH	Demarcation of Reponsibilities SMMC/FINSO	5
HR Standardization & Optimization		4	
Quality Care	Expansion of Services	Expansion of Medical Services (2023)	2
	Inventorize all IT apps & medical equipment and its uses	Inventory & Asset Management	5
	JCI Trajectory	Clinical Guidelines Implemented (2023)	3
		JCI Trajectory (2023)	5
	Telemedicine	Telemedicine Pilot	2
Use cutting edge technology to remain in constant communication	Implementation ICT Strategic Plan (2023)	3	
Patient Centered Care	Accessibility (phone/digital)	"My Medical Booking.sx"	1
	Clear admittance and discharge communication to patient (written)	My Medical Information	1
	Optimized patient journey	Optimize Patient Journey	1
International Medical Services	Optimized finance function (cost structure per procedure)	Okay, but what does it cost	2
Alliances with Stakeholders	Maintain dominant position in healthcare chain through partnerships (Tripartite, DCHA etc)	Strengthening Strategic Partnerships (2023)	5

Overall project progress was made through several key initiatives aimed at enhancing leadership, healthcare services, and operational efficiency at SMMC. The "Leadership & Accountability Starts with Me" project successfully trained 70% of senior staff and supervisors, using the PROSCI Change Management methodology. The "Telemedicine Pilot Project" made significant strides by completing a pilot phase for plastic surgery consultations, developing essential ICT infrastructure and training nurses, which proved the feasibility of telemedicine for specialized care and explored its expansion to Saba and Statia.

Progress was also made in the implementation of Clinical Guidelines (CG) to standardize practices with 39 guidelines in the CG life cycle and five undergoing audits. Additionally, the "Expansion of Medical Services" project achieved milestones in procuring and installing a Body Box for lung function tests. The "Hospital Pharmacy Project" progressed with regular meetings and the development of a restructuring plan. Meanwhile, the "Document Management System" project showed progress despite team size reductions and other challenges, underscoring the project's resilience and collaborative efforts.

2023 reflects a year of notable achievements and challenges across various projects. The "Leadership & Accountability" and "Telemedicine" projects were particularly successful, showcasing significant advancements in training and healthcare delivery. The clinical guidelines and expansion of medical services highlight ongoing efforts to improve healthcare quality and operational efficiency. While some projects faced delays and required adjustments, the commitment to strategic goals and continuous improvement is evident throughout the year.

Further Elucidation on Strategic Themes and Related Projects

Fit for the Future [Home Program]

As outlined, the Home program focuses on the transition to the St. Maarten General Hospital (SMGH) as an organization.

In 2023, the program included projects geared towards the further preparation of the organization for the transition and included the following sub-projects: Financial Clean Bill of Health which concerned billing reconciliation, Leadership & Accountability Starts with Me which concerned leadership training for senior staff, Human Resources recruitment efforts which included the creation of a Learning and Development Plan and the Road to SMGH transition plan which introduced readiness categories and aimed to map out the activation of these categories as we transition to the new hospital.

The Home program is carried out by SMMC's Project Management Unit (PMU) which in 2023 consisted of a Project Manager, Communications and Management Consultant, ICT Transition Project Manager, Learning and Development Project Manager and a Quality & Safety Project Manager. The team is led by SMMC's Strategy and Business Development Manager and works to ensure that the Management Team has the tools to be able to prepare their departments for the SMGH transition.

The PMU continued its efforts to achieve the objectives established in the 2023-2025 strategic plan to ensure the smooth transition to SMGH and the connection between the "House" and the "Home" with the creation of "readiness categories" which involves comprehensive Activation and Transition Planning (ATP) for SMGH. The ATP for SMGH process involves careful planning, coordination and execution across multiple dimensions, including organizational readiness, people readiness, operational readiness, technology readiness, facility readiness, and opening readiness.





Quality of Care

The Quality of Care theme refers to topics such as the Joint Commission International (JCI) accreditation trajectory, the expansion of services and internal and external communication efforts. As it pertains to JCI accreditation, a focus is placed on promoting specific improvement in patient safety through the International Patient Safety Goals (IPSGs). These highlight the most problematic areas in healthcare in general, which SMMC addresses through the implementation of improved work processes, policies and procedures. The 6 IPSGs are provided in the illustration below. At present, the required documentation is in place for most IPSGs.

1

Identify Patients Correctly

- Prior to: 1) treatments, diagnostic procedures 2) administrating medication or blood products, 3) taking blood or laboratory samples
- At all times use the full name of the patient
- In-Patients: Use patient ID bands with full name and MRN



2

Improve Effective Communication

- Use the SBAR for accurate handover and information transfer
- Write down and confirm results from critical laboratory tests
- Always read back the message as heard or interpreted



3

Improve the Safety of High-Alert Medications

- Know which high alert medications, look-alikes, & concentrated electrolytes are in the department.
- Prepare & administer concentrated electrolytes according to the protocol



4

Ensure Safe Surgery

- Follow Surgical Safety Checklist
- Correct Patient, Correct Surgical Site, Correct Procedure, Correct medication?



5

Reduce the Risk of Health Care-Associated Infections

- Disinfect your hands following the 5 moments of hand hygiene
- Adhere to patient bundles guidelines
- Adhere to isolation and disinfection guidelines



6

Reduce the Risk of Patient Harm Resulting from Falls

- Check if there is a risk of falls in the patient for both inpatient and outpatients
- Record falls in the EMR and take measures for the patient
- Report falls to the HS/FONA committee



The JCI standards are designed to promote the policies and practices that contribute to high-quality, safe and effective management of care. Each standard is associated with a 'measurable element' that is used to evaluate the organization's compliance with the standards.

Due to the complexity of the hospital, various processes need to be in place to allow for a safe, smooth, and timely flow of patients. The JCI standards ensure that the patient remains central in the care processes and promote safe practices to reduce the risk of harm.

In total, there are 280 hospital standards that SMMC will strive to implement. Of this total, 160 require written documentation (either in the form of a policy, procedure, or program). Overall, of the required documents, 79 documents have thus far been developed and published, 43 documents are either in development or need to be updated to fully align with the measurable elements of the standards, and 28 documents have yet to be developed. Ten documents are at this moment not applicable to the services being provided at SMMC.

Clinical guidelines

Clinical Guidelines (CGs) are established recommendations for diagnosing and treating medical conditions. The establishment of these guidelines allows for consistent and streamlined patient-care and is a requirement for Joint Commission International (JCI) accreditation. In 2023, the total number of Clinical Guidelines (CGs) was updated with 11 new CGs, 7 CGs were reviewed and validated by a team of medical specialists reviewing and signing off on CGs. 5 CGs were implemented and audited through the joint efforts of Medical Staff, the Quality & Safety Department, and the Medical Staff Bureau.

Hospital Committees

SMMC maintained its eight Hospital Committees, aligned with local legislation and JCI Standards. These include the Complaints Committee, Hospital Safety/Faults or Near Accidents (HS/FONA) Committee, Infection Control Committee, Policy, Protocol and Procedure (P, P & P) Committee, Retrospectus Committee, Medical Ethics Committee, Cardiopulmonary Resuscitation (CPR) Committee, and the Medication Committee. The committees were established to ensure that all actions taken within our hospital are aligned with industry standards and best practices.

In 2023, the Quality & Safety Department convened with all chairpersons whose appointments were set to expire. The primary focus of this was to assess the effectiveness of the respective committees, review activities, and outline the 2024 year plan to determine the potential extensions of committee memberships. Meetings with the Inspectorate of Health continued and the required year reports from the committees were submitted in time to the Inspectorate of Health in line with legislation.



Complaints

A substantial part of providing high-quality, patient-centered care is having a grievance mechanism in place to allow for the methodical handling of issues and patient dissatisfaction. In 2023, a total of 64 complaints were submitted to SMMC's Complaint Committee, which consists of the Legal Counsel and a Complaints Officer. The number of complaints is lower compared to 2022 when 75 complaints were submitted. Of the 64 complaints, 2 were still in progress and 2 were being assessed by Medirisk in December. The most common complaints received were regarding the attitude and communication of staff, which is always addressed with the staff member(s) related to the complaint. The 5-Star Customer Service training aims to empower staff with positive customer interaction techniques thereby reducing the likelihood of future complaints regarding this topic. In 2023, the Complaints Regulation was updated and approved and is now available on SMMC's website.

Patient-Centered Care

Patient-centered care refers to the importance that SMMC places on its patients and the care it provides in the best interest of the patient. This involves listening to patients, constantly and consistently optimizing the patient journey, ensuring the safety and satisfaction of the patient and making patients active participants in their care plan.

Optimized Patient Journey

SMMC has embarked on a project to improve the patient journey called My Medical Booking which aims to launch Patient Connect, an online platform (an app supplied by our hospital information system Evident) that allows patients to request appointments, view and modify their Outpatient appointments online without having to call or physically visit the hospital. Phase 1 of the project is to have existing patients sign consent forms and register their email addresses so they can receive automated appointment reminders. Phase 2 of the project is to roll out the online appointment system by emailing the Patient Connect link to patients who have consented. This project not only allows for the optimization of the patient journey but also allows for the potential reduction in the number of “no-shows” as patients get sent reminders the day prior to their scheduled appointment.

Kind, respectful, prompt service

Another project under the Patient-Centered Care objective was “*Kind, respectful, prompt service*”. To provide staff with the knowledge and tools to provide the aforementioned service, we continued to provide our 5-Star Customer Service Training, facilitated by SMMC’s in-house trainers who were



certified in January of 2023. These training sessions cover telephone etiquette, conflict de-escalation, interpersonal relationships, and professional empathy and aim to ensure that every patient of SMMC receives kind, respectful, and prompt service.

Centralized Communication and Information Sharing

In 2023, SMMC continued with its internal and external communication efforts. The Quality & Safety Department continued with its configuration and implementation of Zenya, an internal document-sharing platform, and the development of a Zenya manual and end-user instructions. The Communications Department continued to provide support to all departments in internal and external communication such as the creation of patient-information leaflets (referred to internally as brochures), posters, flyers, memos, videos and press releases. The navigation of SMMC’s website was improved and the medical services pages were expanded in addition to the creation of more than 100 pages of patient information on various procedures, illnesses and treatments. The Board of Directors also continued to provide weekly updates, through the Communications Department, to all staff via the internal newsletter “The Desk”. Efforts to provide patients with health information and education continued via press releases, radio interviews, and social media posts.



Staff Training and Support

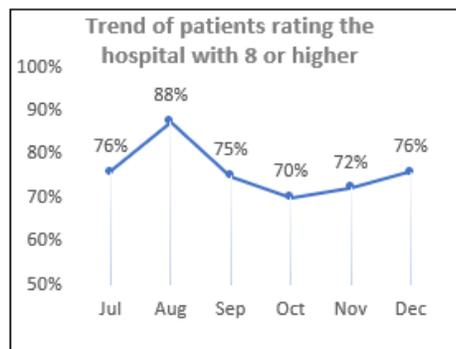
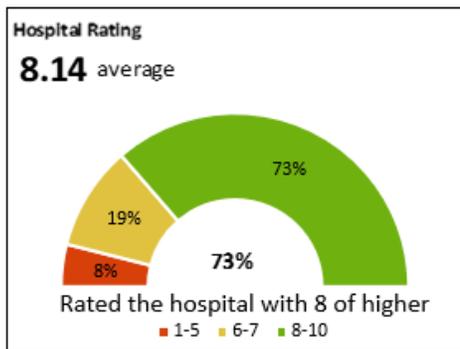
As SMMC transitions to SMGH, staff must be well-prepared within their roles. As such, training and staff education continued in 2023 with training across all levels of the organization. SMMC has received funding from the World Bank to provide this support to staff and a total of 307 employees have benefitted from these programs to date. These include leadership training, corporate governance, specialized training for nursing and medical staff, financial training, Dutch language courses, leadership development training for supervisors and managers, program management training, and others for a total of USD 541,755 invested in the personal and professional development of SMMC staff.

Patient Satisfaction Survey

The Quality & Safety Department continued to use a 26-question Patient Satisfaction Survey (PSS) to gauge patient satisfaction and create metrics for assessment as it pertains to care at the Outpatient Department. In 2023, a total of 702 responses were captured at the Outpatient Department which is a decline in responses compared to 2022 when 1379 responses were captured. To increase the response rate, posters have been placed at various PSS kiosks and research is being conducted into the most suitable methods to increase the number of respondents. It is also the intention to once again include the Inpatient wards in the PSS trajectory for 2024.

Throughout 2023, the hospital maintained a patient satisfaction rating of around 8.0 with the rating standing at 8.14 in December 2023. This indicated that despite potential variations in individual categories such as Medical Care, Customer Service, Facilities, Waiting Time & Access, and Privacy, patients generally report a positive overall experience during their visits to the hospital.

Patient Satisfaction Outpatient Department



Medical Care

Did the doctor seem aware of your medical history?	😊
Did the doctor explain things in a way you could understand?	😊
If you had any worries or fears about your condition or treatment, did the doctor discuss them with you?	😊
Did the doctor and/or staff ask you what was important to you in managing your condition or illness?	😊
After leaving the doctor's office, were the doctor's information/instructions clear?	😊
Would you recommend the doctor to family and friends?	😊

Customer Service

When you arrived at the Outpatient Department, did the registration clerk treat you with courtesy and respect?	😊
When you arrived at the department (Example, Cardiology, Surgery, etc.), did the department clerk treat you with courtesy and respect?	😊
How often did the nurse treat you with courtesy and respect ?	😊
How often did the doctor treat you with courtesy and respect ?	😊

Waiting time & Access

How long after your scheduled appointment time did the appointment start?	😞
Was it easy to schedule a convenient appointment?	😊

Facilities

In your opinion, how clean was the Outpatient Department?	😊
Were hand sanitizer gels available for patient and visitors to use?	😊

Privacy

At the registration window, could other patients overhear what you talked about with the registration	😞
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International Medical Services

SMMC continued to further its objective of providing care to patients from the surrounding islands in 2023. A procedure documenting the workflow regarding all international patient requests was created and implemented at the International Patient Office (IPO). The IPO now falls under the Outpatient Care Department, and an additional employee was transferred to strengthen the department.

In 2023, work visits to Anguilla resulted in closer cooperation between SMMC and the various healthcare stakeholders, including Government, insurance companies and private doctors, which led to a significant uptick in revenues derived from patients from Anguilla making use of SMMC's services.

To gauge the satisfaction of the services provided by the IPO, a client satisfaction survey was drafted and disseminated via Google Forms to Anguilla stakeholders. The results indicate that there is room for improvement in various aspects that are being addressed and will be incorporated into SMMC's vision for the IPO which is to eventually provide a concierge-type experience to international patients from the first moment of contact through to the last. In 2024, SMMC aims to target St. Kitts as its next IMS market.

Alliance with Stakeholders

After formally establishing the DCHA through a notarial deed and incorporation in June 2022, the registration at the Chamber of Commerce was completed in 2023. This laid the basis for budgetary support from the 4 countries necessary in order to achieve its objectives. In 2023, four project initiation documents

were prepared for execution as outlined in the overall project plan. SMMC was also part of the task force to create the brand identity for the DCHA and facilitated the request for proposal (RFP) process, which saw local creative agency being chosen as the brand creation agency.

The brand identity project was successfully completed with the delivery of the DCHA logo, a brand manual, letterhead, a PowerPoint template, and the launch of the DCHA website www.dcha.care with supporting email addresses.

The hospital's participation in the Basic Acute Care (BAC) course is also a direct result of the DCHA and 13 registered nurses from SMMC have successfully completed the course. This increases and improves the level of acute care SMMC can provide in the Emergency Room, ICU, Pediatric Ward, Medical/Surgical Ward, and Operating (recovery) Room.

SMMC participated in various symposia and meetings with external local and regional healthcare stakeholders such as the local Ministry of Health, Social and Health Insurances SZV, White and Yellow Cross, the Ministry of Health in the Dutch Caribbean (ZJCN), and the Netherlands (RIVM), DCHA partners, University Hospitals in the Netherlands with the ultimate goal of improving healthcare on St. Maarten.



World Bank Projects

\$3.40 M

WAS DISBURSED
TO SMMC FROM
THE ST. MAARTEN
TRUST FUND

A total of USD 3.40 million US Dollars was disbursed to SMMC from the St. Maarten Trust Fund which is financed by the Government of the Netherlands and managed by The World Bank, towards the Hospital Resiliency & Preparedness Project (HRPP) in 2023. The HRPP is managed by SMMC's Project Management Unit (PMU) and contributes to increased access to high-quality healthcare by enhancing and improving the preparedness and capacity of hospital services on St. Maarten.

The three established Project Development Objectives (PDO) set for 2023, have seen major achievements with two, of the three, achieved.

1

The first PDO is concerned with medical referrals, which have been reduced by 85 percent over the past 5 years, surpassing the project's end target of 50%. This is due to the expansion of medical specialties and services such as Ophthalmology, Orthopedics, Urology, Neurology, Pulmonology, Pain Management, MRI services, and other sub-specialties such as a Vascular Lab since 2018.

2

The second PDO involved the implementation of the Emergency Disaster Preparedness Plan (EDP) and Evacuation Plan. The first fire drill since the COVID-19 pandemic was facilitated by SMMC's Facilities and Maintenance Department and involved a live-role play scenario that involved all relevant departments including external stakeholders.

3

The third PDO related to technical audits and in 2023, SMMC developed a Technical Audit Tool to assess the implementation of the Clinical Guidelines (CGs) and quality control mechanisms. Ten new CGs were added to the database, bringing the total to 39 CGs, of which 5 have now been audited. The next audit of the CGs is scheduled for Q2 2024.

The most recent upgrades include the additional fiber optic cable by a second Internet service provider and the renovation of two Operating Rooms. As it pertains to the SMMC Transition and Contingency Plan, all essential upgrades to the existing facility have been completed.

The HRPP has also had a significant impact on learning and development within the hospital as we transition towards the St. Maarten General Hospital to become Fit for The Future. SMMC's new Learning and Development Project Manager was onboarded in September 2023 and a gap analysis for training was conducted. As of December 2023, the training programs supported by the HRPP have benefitted 307 participants.



St. Maarten General Hospital Construction



In February, SMMC and the SMGH Contractor FINSO signed the fourth contract amendment following the agreement on additional funding and a new concept design.

With the signing of the fourth amendment, the progress of work was expected to intensify with the construction of Technical Building 1, the Waste Water Treatment Plant, and the installation of 108 seismic base isolators to protect the new hospital building against earthquakes. However, the installation of the base isolators depended on the verification of the structural analysis due to the redesign. With the ongoing redesign and the sensitive nature of the base isolators with respect to the weight and resistance of the building during an earthquake, the fast track of the structural analysis was completed in September 2023. SMMC provided consent with comments in September and thus the installation of the base isolators started in October 2023.

Additionally, water overflows from the SOG (Fire Department/Ambulance) property led to small landslides and soil erosion creating an unsafe working condition at the area of the site, causing a delay to the construction of Technical Building 1. Following several discussions, the SOG, the contractor and SMMC's Contract Management Bureau (CMB) were able to come to agreements to resolve this issue so work in that area could resume; while simultaneously

the SMMC and the contractor agreed on a path forward for the structural design.

In parallel the redesign continued with the preliminary design phase and submission of the first final design packages. Participation from key users was important in determining functionality and typology for medical equipment and furniture & fittings. CMB gave consent with remarks to the preliminary design in August, followed by the signing of the frozen floor plans. At the same time, weekly transition meetings started. These meetings are focused on specific projects such as the uniform distribution system, for which different workgroups were assigned.

In April and October, the contractor's design team, along with the consultants from Royal Haskoning DHV visited St. Maarten for a week of technical meetings following feedback from the user sessions. These meetings were constructive and aided in the overall design progress.

Overall, 2023 was a significant year with the signing of the fourth amendment and although there were some delays impacting construction, the year ended with meaningful progress on site.