

Calabar Specialist Hospital



Project Overview

Project Introduction



- ❖ The regional hospital in Calabar will provide high quality secondary healthcare services to the population of CRS in accordance with international standards
- ❖ The facility will be a medium sized referral hospital -105 beds and OPD department
 - 80 beds reserved for public patients
 - 20 beds for private VIP treatment (at commercial tariffs), 5 beds for ICU
- ❖ Advanced diagnostics and pharmacy as a semi-independent entity:
 - Services / products provided to public patients through the formal referral system
 - Services / products provided directly to private patients bypassing the referral system for commercial tariffs
- ❖ Gateway clinic controls flow of patients:
 - Gateway Clinic acts as referral desk for patients formally referred from public and private health facilities
 - Gateway Clinic provides one-off primary care to patients who come directly to the premises of the PPP Hospital and can be helped at the primary level
- ❖ The PPP hospital is projected to open its doors in 2014 and to be fully operational by May 2015

Project Charter



Project Scope & Cost

- 105 Bed Specialist Referral Hospital, Calabar, Nigeria
- \$40M (Total Capital cost)

Sponsor

- Cross River State Government, Nigeria

Transactional Advisor

- International Finance Corporation (World Bank)

Funding Structure

- 49% (CAPEX) Cross River State Government & 51% (CAPEX) Private
- Fixed Payment (\$0.5M) Cross River State Government
- Availability Payment (\$1.9M) Cross River State Government

PPP Project Phases

- Build (2 Years)
- Operate (8 Years. Option to exercise additional 2 years)
- Transfer

Project (Risk Allocation)



Risk heading	Definition	Allocation of Risk	
		Public	Private
Design	Design process		X
Construction	Construction process		X
Capital expenditure	Financing of construction and equipment	X	X
Performance/quality	Standard of care, quality of services		X
Management	Administration of hospital		X
Human Resources	Availability and training of HR		X
Availability	Availability of facility and equipment		X
Maintenance	Maintenance and replacement of facility and equipment		X
Public demand	Changes in demand of public referred patients and civil servants	X	
Indigent support	Support of indigent patients	X	
Private demand	Changes in demand of private and VIP patients		X
Diagnostics and Pharmacy demand	Changes in demand for Diagnostics and Pharmacy		X
Operational costs	Operational costs		X

Introduction (Utopian)



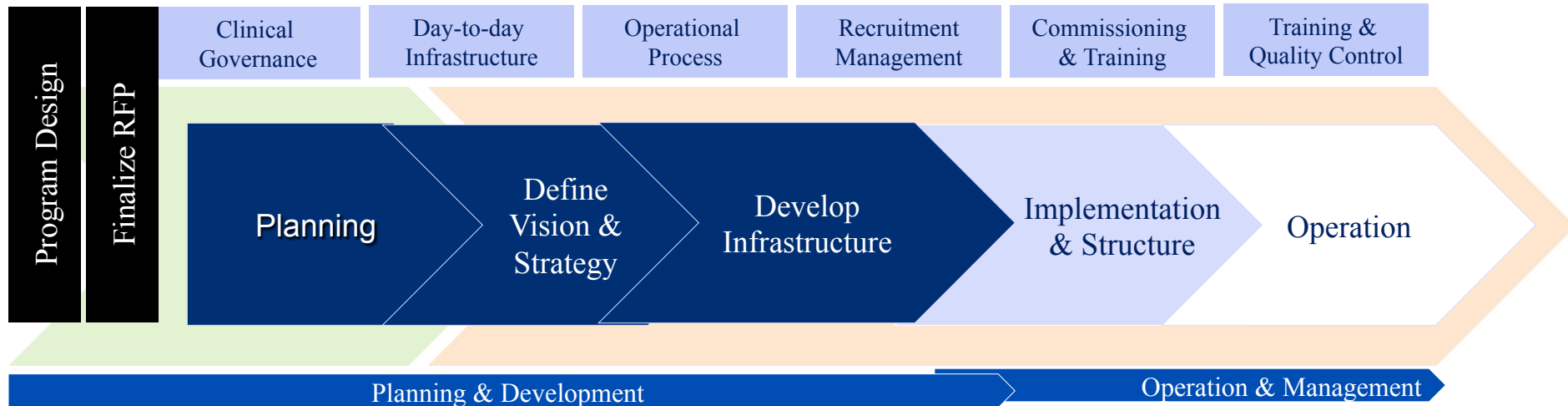
Utopian Consulting LLC (hereinafter referred to as Utopian) is a Global Healthcare Consulting firm, with concentration on Turn Key Healthcare consulting, and Healthcare "best practice" Management Delivery. While domiciled in the United States our services are focused in emerging markets, Utopian Consulting International is the lead member of Utopian. Utopian Healthcare Consortium consists of prominent healthcare experts with tenured, salient experiences in excess of 150 years.

Our consortium has a diverse history and our successes have enabled us to provide a synergistic effect for our clientele. Our expertise in hospital development, management and creation of subject matter expertise in areas of Design and Build, Supply and Installation, Clinical Administration and Operations exceed best practice standards all over the world. The Utopian commitments and strategies are unparalleled in the industry and offer the best opportunity for the prosperity of private and government hospitals.

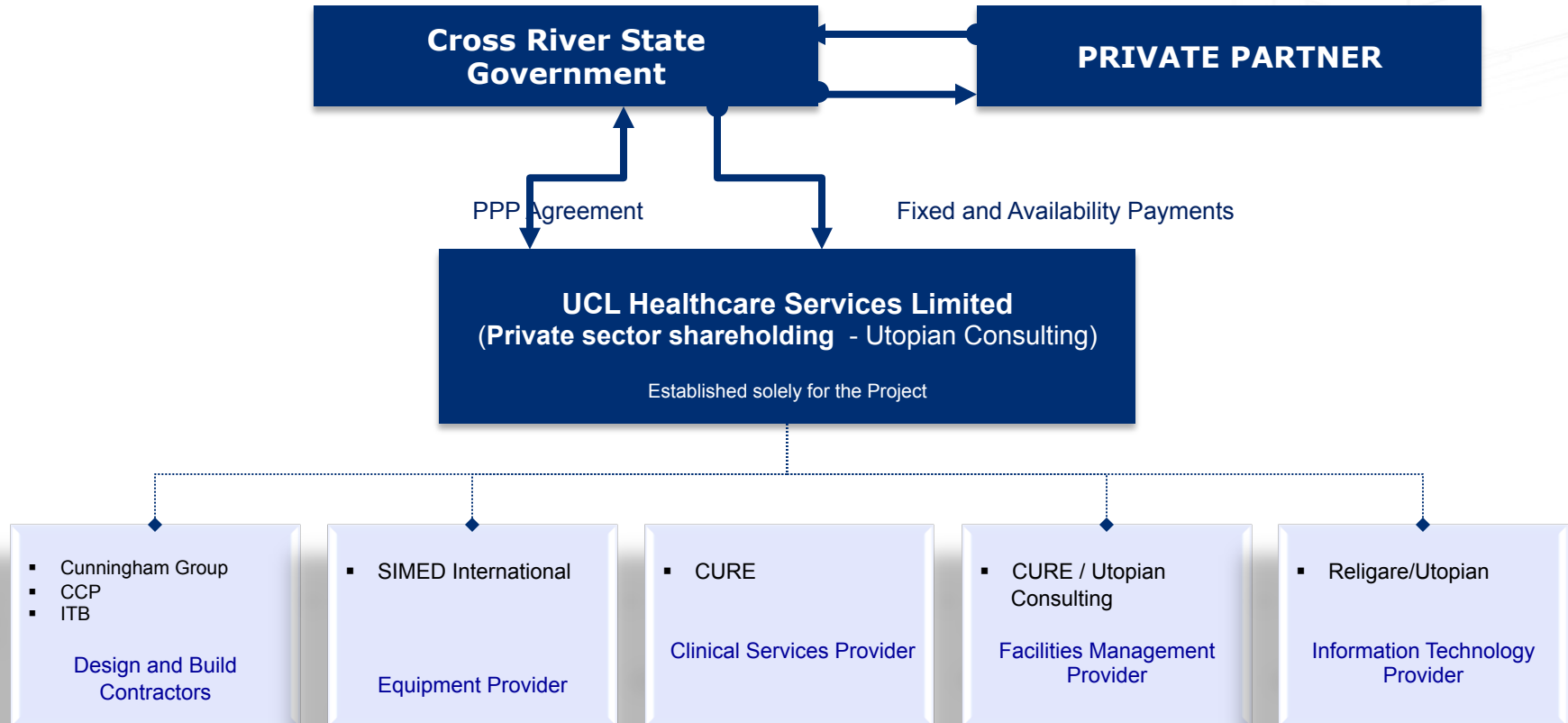
- ❖ Utopian is an alliance of implementation experts with unmatched ability to deliver a sustainable healthcare platform. Our methods develop a hybrid patient care delivery system provided by its extensive PROVIDER ACCESS NETWORK
- ❖ Our diversity in this complex arena promotes the understanding , sensitivity and expertise that is needed in order to provide a viable healthcare format in developing countries
- ❖ Our strengths also supply an immediate agreement with Amerinet, an eminent vendor of Healthcare Equipment

It is the ambition of Utopian and all its constituents to be given the opportunity to join the government or interested private entities in developing and implementing the vision of a healthcare system.

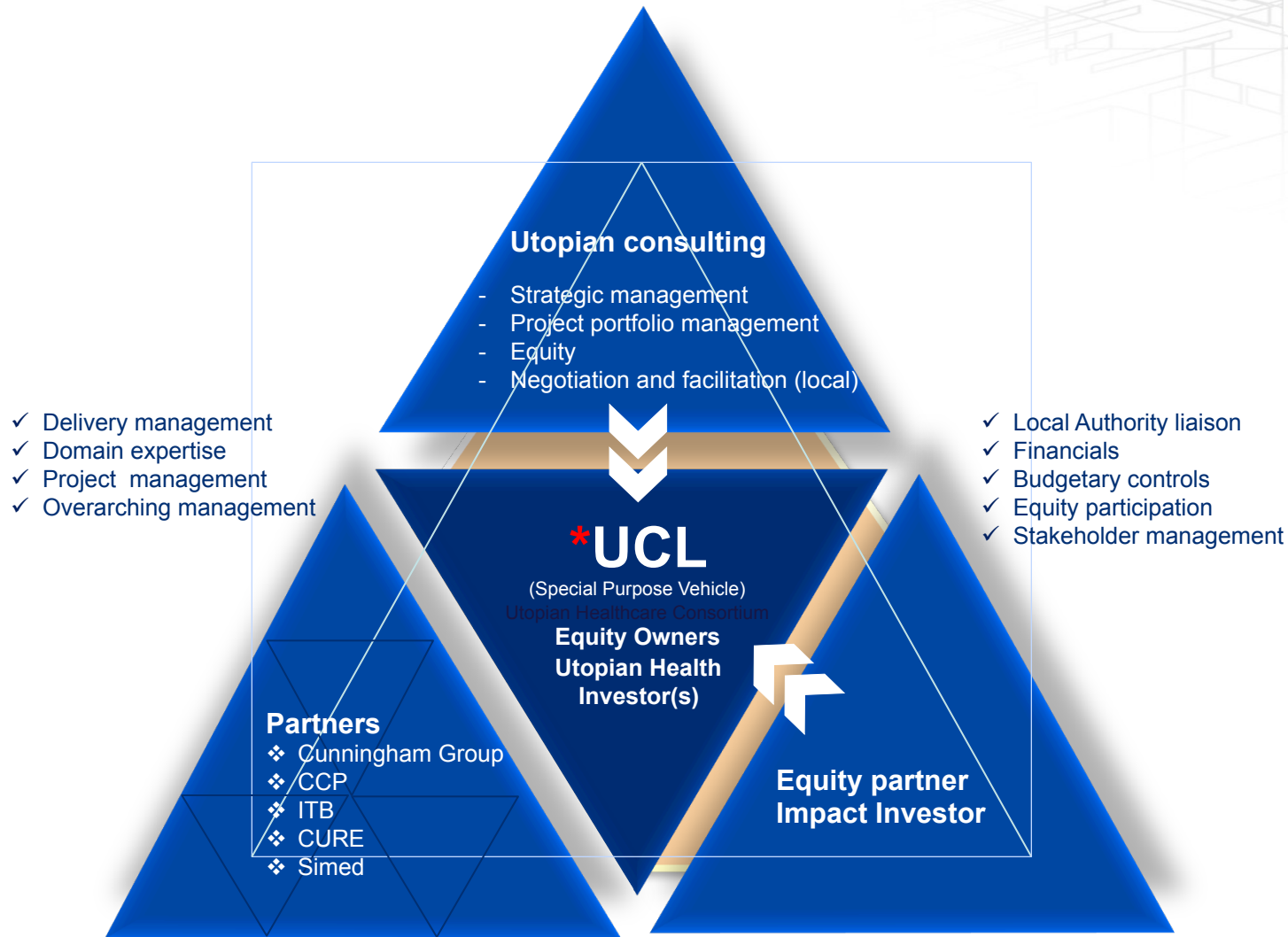
Consulting Services (Utopian)



Project Structure and Relationship



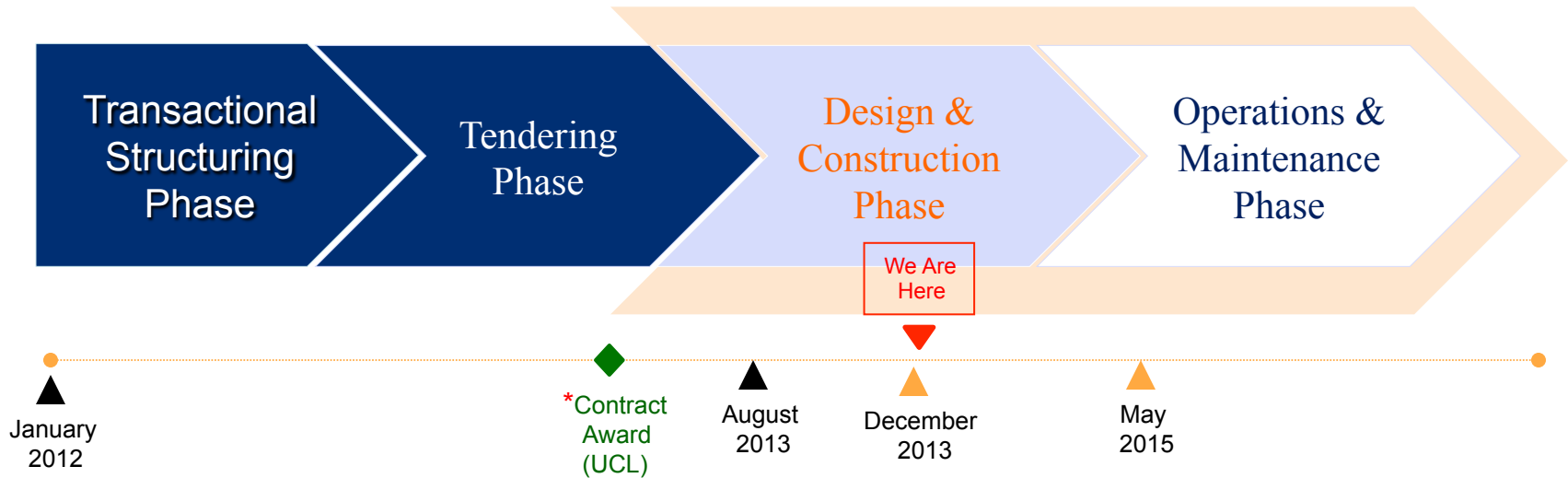
Project (Strategic Alignment - Consortium)



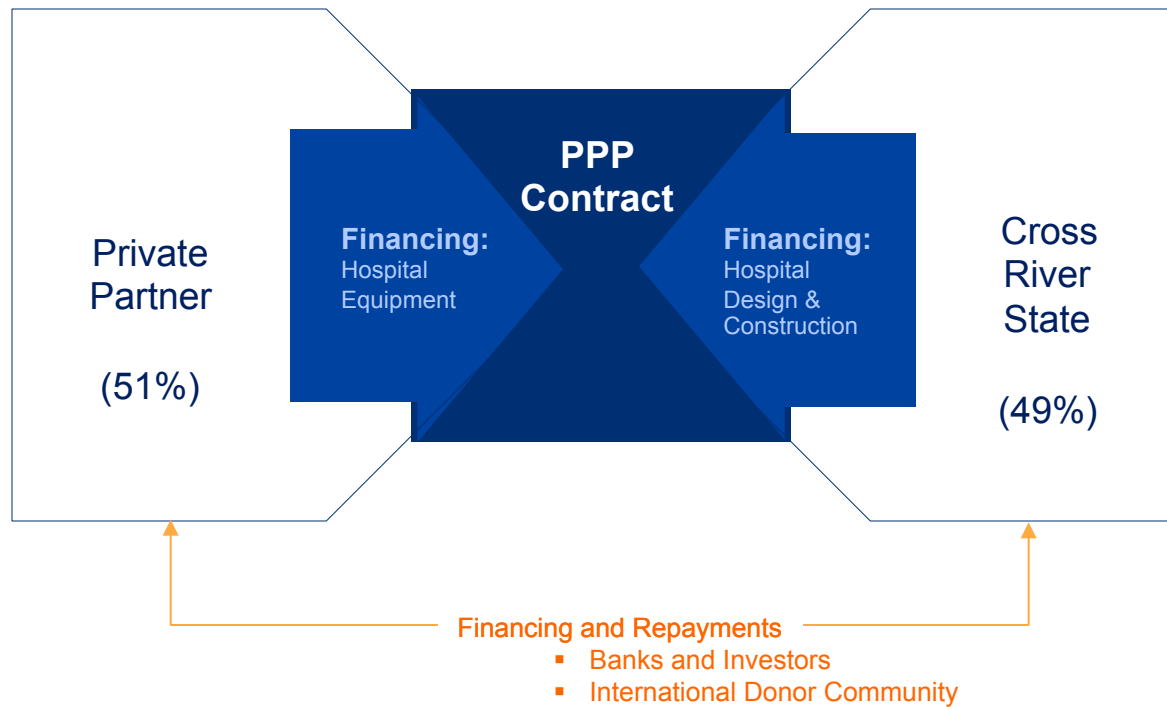
Project (Where We Are)



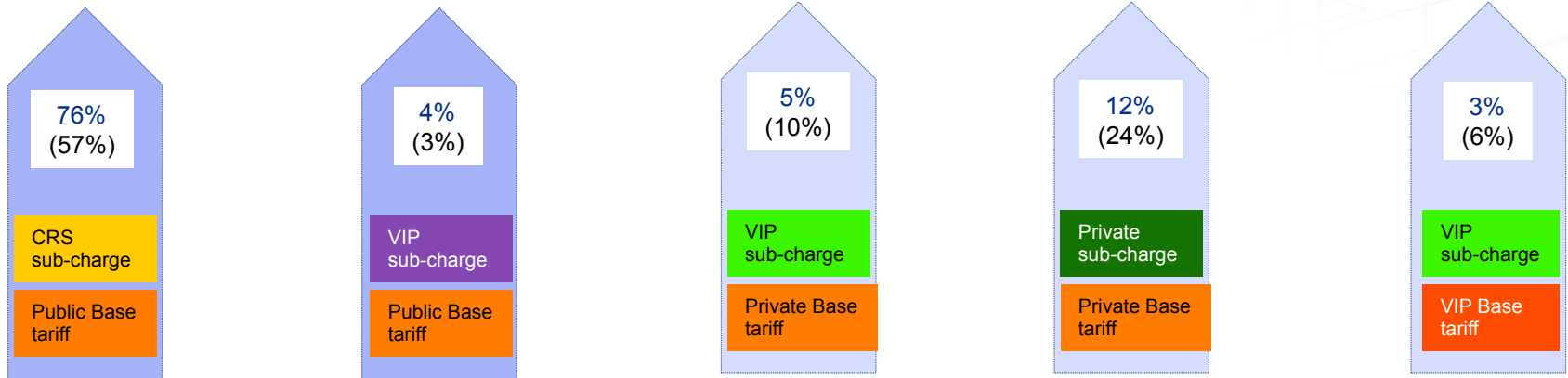
- Cross River State Government (Client)
- International Finance Corporation (Advisory support)
 - PharmaAccess-AMPC (Technical consultants)
 - Eversheds (UK) & Aluko Oyebode (Nigeria) - Legal counsel



Project (Financial Structure)



Project (Revenue Structure)



Public Base tariff:
The tariff level charged by the National Health Insurance Scheme

+

Sub-charge:
Break-even surcharge by Operator
(20% of Public Base tariff)

Public Base tariff:
The tariff level charged by the National Health Insurance Scheme

+

VIP Sub-charge:
Non subsidized sub-charge above Public Base tariff for Patients willing to pay for more Personal and timely services
(20% of Public Base tariff)
- 250% threshold -

Private Base tariff:
The tariff level charged by the Private Health Insurance Scheme

+

VIP Sub-charge:
Non subsidized sub-charge above Private Base tariff for Patients willing to pay for More personal and timely services
(230% Charge)
- 250% threshold -

Private Base tariff:
The tariff level charged by the Private Health Insurance Scheme

+

Private Sub-charge:
Sub-charge above Private Base tariff for Patients willing to pay for More personal and timely services
(230% Charge)
- 300% threshold -

VIP Base tariff:
The tariff level charged by the Private Health Insurance Scheme

+

VIP Sub-charge:
Sub-charge above Private Base tariff for Patients willing to pay for More personal and timely services
(460% Charge)
- 500% threshold -

Financial Model

Project Stakeholder Funding Structure



- ❖ The **Capital Cost** (Total cost of **\$40M**) of the Hospital will be financed upfront by CRSG (**\$20M**) and the Private Equity / Investment Partner (**\$20M**) through agreed milestone payments. An **Independent Certifier** will review progress of the work and confirm performance against pre-determined milestones, which will trigger the release of payments to SPV.
- ❖ **Operational Costs:** Once the Hospital is built & operational, SPV will be compensated for service provision through government contributions and out of pocket payments from patients.
- ❖ **Government Payments:** In order to cover the costs of providing higher quality of care, CRSG will be subsidising the cost of care through the following payment mechanisms:
 - **Quarterly Fixed Payment:** To cover SPV's costs and expenses of delivering services and to cover payments into the lifecycle fund. This amount will be fixed before the PPP Agreement is signed.
 - **Quarterly Availability Payment:** To cover SPV's management fee, margin and any proportion of the costs and expenses of delivering the services to any public patients that should be borne by CRSG.
 - Both the Fixed and Quarterly Availability Payment will be escalated annually in line with CPI
- ❖ **Revenue Share:** The Government and Investment Partner will share 5% of all revenue generated from the Hospital based on ownership ratio.

Project (Supporting Information)

SPV Value Proposition



- ❖ Establishing private sector critical role in Nigerian healthcare access, especially for population earning less than \$1/day.
- ❖ Supporting consumer-driven health through public, private and non profit organizations.
- ❖ This is achievable by re-examining the price-performance relationship through a new/ different level of capital efficiency.
- ❖ An investment paradigm shift which meets and satisfies the following criteria
 - Solving the healthcare access needs of the poorest
 - An economically viable business case
 - Scalable and repeatable in multiple geographical regions in Nigeria

Area Demographics of new PPP hospital determines its size, service package and HR base

Healthcare supply & needs

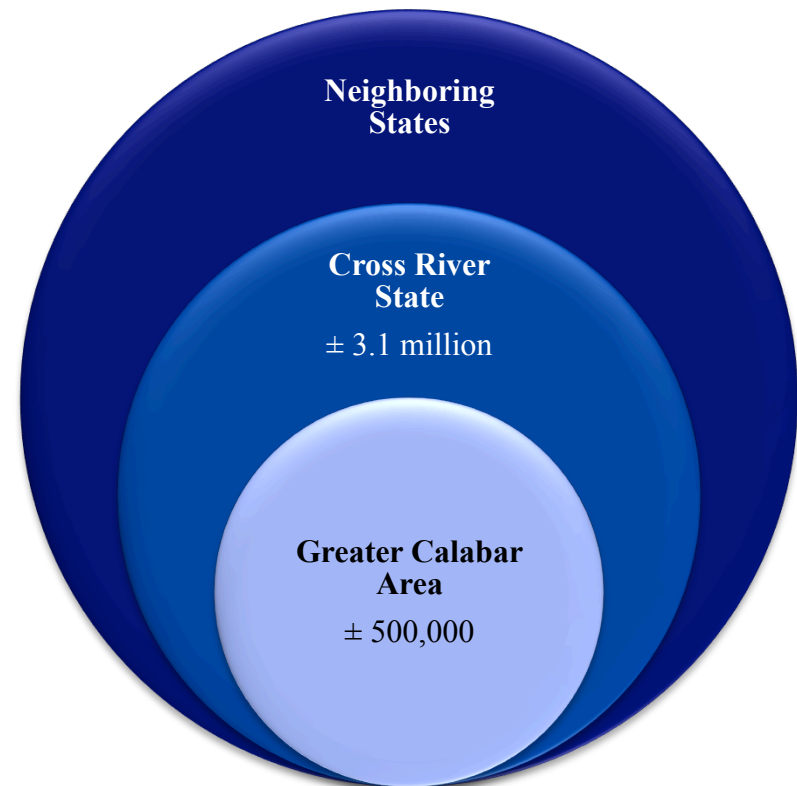
Supply in catchment area

- Two secondary referral hospitals in Greater Calabar Area (\pm 80 beds each, one specialized in infectious diseases)
- 12 secondary hospitals in Cross River State
- Over 100 small private facilities (basic primary & secondary, no integrated care) in Cross River State
- Lack of sophisticated diagnostics in Cross River State and neighboring states, lack of adequate emergency care

Needs

- Main health needs lie in area of communicable- (mainly malaria) and non-communicable diseases, and maternal and under 5 care
- Demand for integrated quality assured care, for quality diagnostics and for emergency care

Catchment Area



Area Demographics of new PPP hospital determines its size, service package and HR base



- Service package is an integrated package of basic and specialist secondary health care services
- HR base: medical staff forms integrated mix of expertise and specialist care: internal healthcare; maternal care, pediatrics, surgery, emergency care, radiology, laboratory services, dental care, and general practitioners to support specialists
- Super-specialist care will be contracted on a temporary basis based on the health needs of the patients in the PPP Hospital

Medical Service Offering - A

	Services offered by Resident Physicians	Potential specialist missions
Internal	<p>Communicable:</p> <ul style="list-style-type: none"> • HIV/AIDS, Malaria, TB, etc. <p>Non-communicable:</p> <ul style="list-style-type: none"> ▪ Diabetes ▪ Oncology ▪ Hypertension ▪ Renal Failure ▪ Basic endocrinology ▪ Basic Dermatology ▪ Endoscopy ▪ Emergency dialysis ▪ Intensive Care Unit (ICU) 	<ul style="list-style-type: none"> ▪ Nephrology ▪ Cardiology ▪ Endocrinology ▪ Urology
Surgeries	<ul style="list-style-type: none"> • General Surgeries: adult and pediatric (including laparoscopy) • Basic Orthopedic surgery • Acute urology • Acute ENT • Emergency surgery (including ICU) • Burns • Basic Neurosurgery 	<ul style="list-style-type: none"> • Plastic Surgery • Advanced Orthopedics (hip replacements) • Advanced Neurosurgery • Advanced Urology • Advanced ENT • Advanced ophthalmology

Medical Service Offering - B



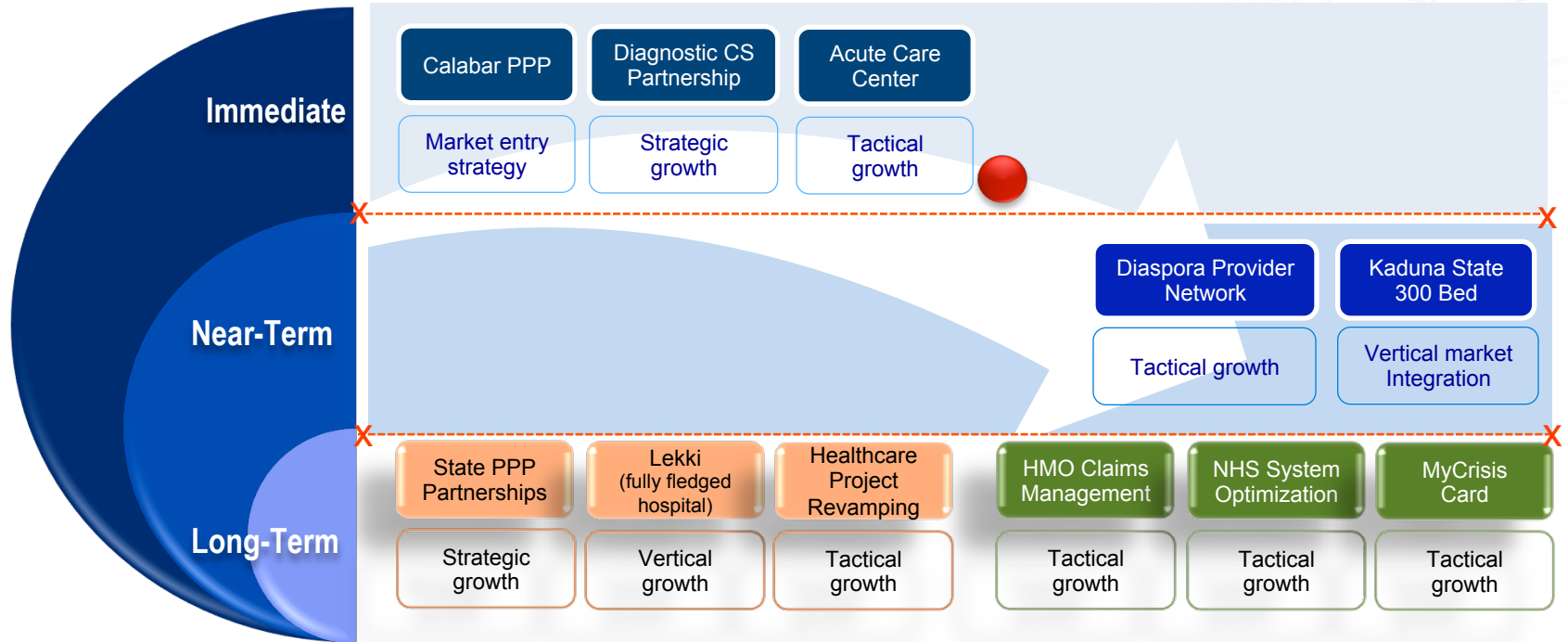
	Services offered by Resident Physicians	Potential specialist missions
Obstetrics and Gynecology	<ul style="list-style-type: none">▪ Prenatal and postnatal assessment and monitoring, including ultrasounds▪ General maternity and Gynecology▪ Family planning and PMTCT▪ Infertility work up and basic treatment excluding IVF and stimulation	
Radiology	<ul style="list-style-type: none">▪ Ultrasound▪ X-Ray (including chest)▪ Fluoroscopy▪ CT▪ MRI	
Pediatrics	<ul style="list-style-type: none">▪ General pediatrics▪ Infectious diseases including HIV/AIDS and Malaria▪ Neonatal care▪ ICU	<ul style="list-style-type: none">▪ Plastic surgery

Medical Service Offering - C

	Services offered by Resident Physicians	Potential specialist missions
Dental care	<ul style="list-style-type: none"> Basic dental care including X-Ray 	<ul style="list-style-type: none"> Advanced dental surgery
Laboratory Services	<ul style="list-style-type: none"> Basic hematology Basic chemistry Basic parasitology/bacteriology Basic pathology (potentially external missions) 	
General Practitioners	<p>Gatekeeper Clinic (7X):</p> <ul style="list-style-type: none"> Review referrals from primary facilities Refer direct first admissions in need of secondary healthcare to PPP hospital Provide primary healthcare to direct patients <p>Support of specialist services (8X):</p> <ul style="list-style-type: none"> Internal Obstetrics & Gynecology Pediatrics Radiology Surgery 	<ul style="list-style-type: none"> Psychiatry

Project (Additional Information)

Portfolio Analysis (Utopian Healthcare Services)



Introduction (Utopian Team)



John Adesioye

Chief Executive Officer



Taymoor Marar

Consultant



Amaechi Erondu

Chief Medical Officer



Femi Ehindero

Chief Operating Officer



Feyi Olayeye

Chief Strategy Officer



Okey Eneli

**Chief, Healthcare
Design & Construction**