

Connecting People with Wellness

2021 Annual Report



St. Maarten Medical Center

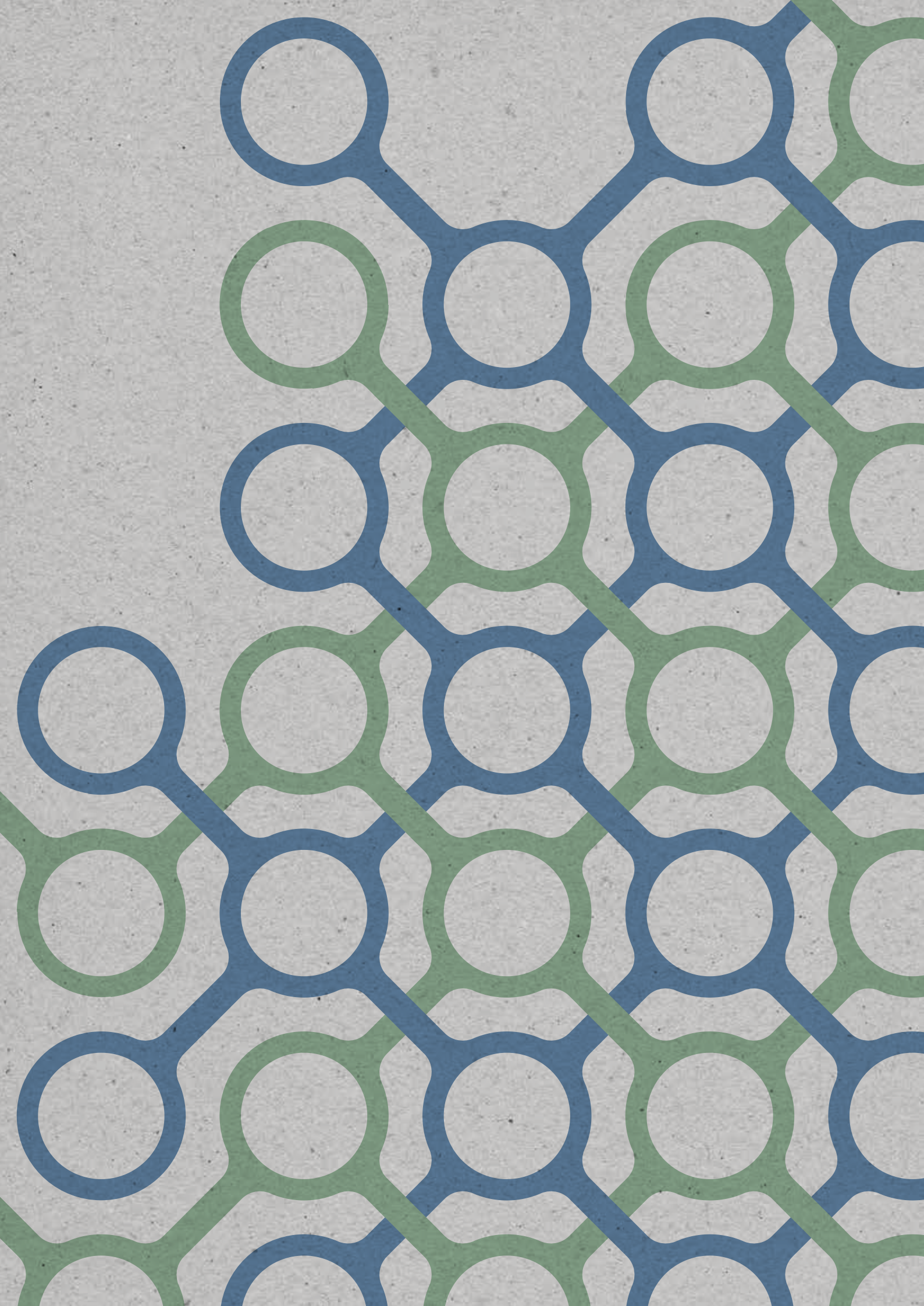


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Report of the Supervisory Council

On June 30, 2022 the Supervisory Council (SC) of the St. Maarten Medical Center (SMMC) approved the Consolidated Financial Statements for 2021. The external auditor BDO St. Maarten B.V. audited the Consolidated Financial Statement 2021.

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 meetings resumed during the course of 2021, however we have found that virtual meetings can be very effective as well, allowing members not able to meet in person to attend the meetings.

The SC met fourteen times during the course of 2021. In addition to the regular meetings there were also dozens of committee meetings; Audit Committee, Quality and Safety Committee, New Hospital Project (SMGH) Committee, Recruitment Committee and meetings with the Medical Staff Board. Membership of the SC is in accordance with the SC retirement schedule, with terms lasting a maximum of four years. On December 31, 2021 the Supervisory Council consisted of the following members:

- Mr. Robert-Jan James, Chairperson
- Ms. Sandy Offringa, Vice-Chairperson
- Mr. Jim Rosen, Secretary
- Dr. Heidi Chumley, Member
- Mr. Sherwin Casper, Member

SZV appointed member Lawrence, submitted his resignation in August of 2021 and the term of member Tuitt expired on September 24, 2021. An open recruitment to fill the latter position was started by the Recruitment Committee. In accordance to the Statutes, the Committee submitted a proposal to the Minister on November 28, 2021. The appointment of a new SC member is still pending, while SZV proposed a new member in December of 2021. The required record of good conduct has recently been received and Ms. Silvia Meyers-Olivacce has officially been admitted to the SC as its newest member.

The recruitment process to fill the CEO and CFO positions, which was started in 2020 continued in 2021. Upon completion of the entire process suitable and qualified candidates were found and selected for each position. The CFO candidate is a resident of an island of the former Netherlands Antilles and the CEO candidate is an Australian national. Due to various reasons, the SC was unsuccessful in appointing either one of the candidates and new recruitment processes were commenced for each position.

While the SC does recognize the tremendous efforts made by the Medical Director in continuing to lead the organization as a single statutory director, the SC is still of the opinion that a three headed BoD is the most suitable for leading this complex organization. The process to fill these positions will continue in 2022.

The SC is elated with the 2021 financial results which show a tremendous turnaround from the previous financial year, which is a reflection of the resilience of the organization. In 2021, the regular care resumed in parallel to the COVID-19 care and the organization was able to add additional medical specialties, expand the dialysis department, build additional patient rooms and to top it off: add a state-of-the-art MRI Suite. All of this has contributed to this improvement in financial performance.

There was also improvement in the management of inventory. The auditor issued a disclaimer on

this in previous reports, but appears to have seen sufficient improvement to remove this disclaimer. Recommendations have been made to make this process even more efficient and resilient. The accounts receivables and medical income accuracy remains items of concern as noted in the disclaimer.

The Audit Committee met 11 times during the year. During these meetings, most time was devoted to Internal Risk Management. Other critical topics included, discussion on financial disclosure, comments of the



external auditor on the role and functioning of the administrative organization and construction and renovation and related financing and investments. Also, discussions on ICT reliability and continuity of automated systems and the relationship external auditor, independence, remuneration and any non-audit procedures of the external auditor took place. Finally, tax planning policies and general financing of the organization were discussed.

During the meeting of October 21, 2021, the BoD presented the 2021 budget and year plan to the SC, both of these were approved by the SC and submitted to the Minister of VSA and to SZV in compliance with the November 1 deadline as established by the Statutes.

The COVID-19 pandemic has had a negative impact on the SMGH construction process. Delays caused by lock down periods and shortage of available skilled workers were compounded by global supply chain challenges which further delayed the arrival of materials. Additionally, the increase in cost of materials and shipping will likely cause a significant increase in the overall cost of the project. Discussions with FINSO, the general contractor of SMGH, and other key stakeholders have been ongoing to determine the best way forward.

The Supervisory Council wishes to acknowledge the outstanding work of our staff as we all measurably continue to improve our service of care here at SMMC.

Robert-Jan James
Chairperson Supervisory Council

Board of Directors Report

General

COVID-19 continued to affect St. Maarten in 2021, with spikes in active cases throughout the year. Notwithstanding, St. Maarten General Hospital (hereinafter 'the Foundation', 'SMGH' or 'SMMC') was able to sustain its operations, providing both critical and elective care with minimal interruption. 2021 saw the introduction of new services.

In May 2021, the new MRI Suite was introduced, which allowed SMMC to expand the services offered by its Radiology department. In July 2021, SMMC signed an extension of the Care Contract with 'Zorg en Jeugd Caribisch Nederland' (ZJCN), the health insurance provider for Saba and St. Eustatius. Besides the arrangements with respect to medical and paramedical services, the contract includes a commitment on the part of ZJCN to provide, on a temporary basis, up to five additional certified dialysis nurses for this department, at ZJCN's expense for the duration of the contract which ends on March 31, 2023.

In 2021, SMMC, Cay Hill Pharmacy (CHP) and Ultvoeringsorgaan Sociale en Ziektekosten (SZV) signed a memorandum of understanding (MoU), whereby they indicated their interest to support the legal and operational transformation of the activities of CHP, with the aim to separate CHP's internal delivery of services to SMMC from CHP's public commercial activity focused on the general public. This separation is intended to ensure better interdepartmental pricing for medication distributed internally, while affording CHP a fair competitive position in relation to other pharmacies on St. Maarten. The nature of this division of activities is complex and will take some time to materialize. Parties have agreed to work together to make this possible in a phased approach.

In 2021, SMMC continued to benefit from the grants managed by the World Bank and Dutch Government. The grants help to facilitate the construction of the new hospital, the execution of the contingency plan with respect to the existing building, the construction of the essential upgrades in the period of transition, and coverage of cost for COVID-19 care, including the cost of patient consumables and pharmaceuticals.

In 2021, the decision was made to formally establish the Dutch Caribbean Hospital Alliance (DCHA coöperatief u.a.) which was realized in 2022. While the legal and governance structure is being finetuned, regular meetings continued between hospital directors and their support team with the aim to further strengthen medical care within the Kingdom of the Netherlands.

It is with pleasure that we report that for the first time in SMMC's history, the Foundation's consolidated revenues surpassed ANG 100 million. Achieving this milestone, allowed us sufficient income to cover the cost of operations and present a modest positive result over the year. The positive bottom-line is necessary to build critical reserves and supports the business case underlying the construction and operation of the new hospital.

We are pleased to acknowledge the receipt of ANG 5

million in liquidity support from the Government of St. Maarten, which contributed to improving our liquidity position following the negative consequences caused by COVID-19.

We would like to take this opportunity to thank and commend all stakeholders, and not in the least our SMMC and CHP staff, our specialists and the AMI team – a US-based group of critical care specialists and nurses who assisted SMMC in providing care to its COVID patients – for their invaluable contribution and involvement during the year. We also take note, with appreciation, of the good collaboration and cooperation of the members of the Tri-partite, the World Bank, the medical institutions on our sister island territories and countries, the Dutch Government, the St. Maarten Government, our counterparts on the French side and all others who, in one way or another, contributed to our success. As a medical institution, we look forward to continued cooperation as we meet the challenges coming our way in 2022 and beyond.

Medical Income and Other Income

In 2020, SMMC witnessed a decline in revenue as a result of the initial occurrence of COVID-19 in St. Maarten. In 2021, however, the revenues were restored and even increased to surpass budget expectations. Despite periodic spikes in the number of COVID-19 cases in St. Maarten, SMMC's service to the public remained largely uninterrupted. In addition, new services were introduced and improvements in internal billing policy and associated controls resulted in additional income.

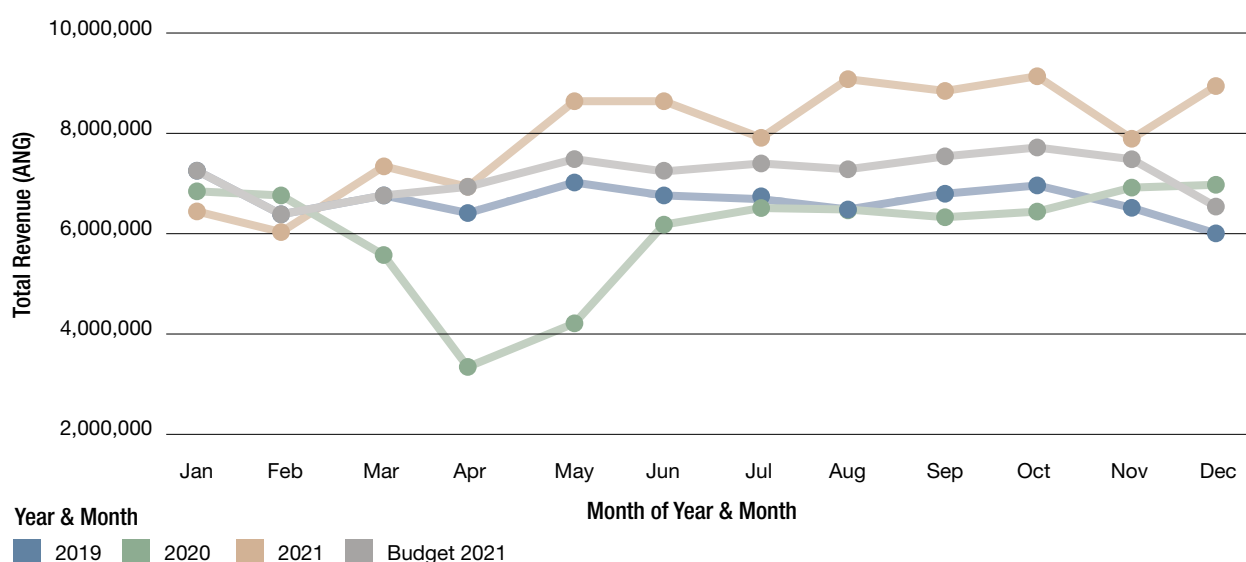
SMGH recognized an increase in medical income of 20.6 million (24.9%), up from ANG 82.9 million in 2020 to 103.5 million in 2021. The bottom-line results also improved. A combined positive result of ANG 4.0 million was realized, as compared to a loss of ANG 3.3 million in 2020.

	Medical Income		Net Result	
	2021	2020	2021	2020
SMMC	92.9	72.5	3.7	-3.5
CHP	10.6	10.4	0.3	0.2
Total	103.5	82.9	4.0	-3.3

Except for the first two months of 2021, SMMC's revenue exceeded the monthly budget projections for 2021 as can be seen in the table below.

SMMC Medical Income

The increase in medical income was realized across all specialties. The largest increases over 2021 were recorded for Neurology, Critical Care (mainly COVID-19), Internal Medicine and Orthopedics. Together, these four disciplines represent 45% of the increase.



In terms of total revenue, Internal Medicine (26%), General Surgery (12%), and Gynecology (9%) remain the leading contributors in 2021, as they were in 2020.

In 2021, the direct medical expenses stabilized thereby contributing to a higher gross margin compared to 2020 which is more in line with the margin of 2019 (2021- 74.8% vs 2020 – 67.7% vs 2019 – 72.8%). The improvement in the margin is also driven by the increased income as a result of improvements achieved in internal controls around revenue capture.

SZV remains the largest contributor to the revenue of the Foundation. Of SMMC's medical income, ANG 68.6 million or 74%, was contributed by the funds managed by SZV in 2021. Of CHP's medical income, ANG 9.6 million or 70% was contributed by the funds managed by SZV in 2021. Recognizing the challenge the Fund itself has been facing, we are appreciative of the consistency of their contribution.

In 2021, we saw a return of ZJCN patients from Saba and St. Eustatius who had been redirected to other foreign healthcare providers at the height of the COVID-19 pandemic. ZJCN represents 9% of SMMC's revenue in 2021 (7% in 2020).

Income from non-residents also increased by 70% reflecting the increase in the number of tourists to the island. Income from patients insured at private insurance companies increased by 33% while income from "self-responsible" (non-insured) patients represents the only category that saw a decline (10% in 2021). Revenue from self-responsible patients

represented 8% of our revenues in 2021 down from 11% in 2020. ANG 1.5 million of the ANG 6.5 million grant by the Trust Fund, which is funded by the Netherlands and managed by the World Bank, was used in 2021 to cover the extra costs incurred due to the COVID-19 pandemic. In 2020, ANG 2.5 million of this grant was used.

Expenses

As a group, housing, office, and general administrative expenses increased by ANG 0.8 million over 2021. The main drivers are increased maintenance expenses, utilities and insurances and are reflective of a general increase in the prices on St. Maarten.

The increase in personnel costs is driven primarily by salaries and wages (5.7% in 2021; 14% in 2020) because of an increase in the number of FTE's. As of December 31, 2021, there were 441 persons (419 FTE) on the payroll versus 421 in 2020. The 2021 total includes 27 call-ups (employees with 0-hour contracts, 15.4 FTE) and 6 Supervisory Council members.

During 2021, negotiations for a new Collective Labor Agreement (CLA) were completed. Despite the challenging times, the CLA encompasses a modest increase in salaries and benefits, with some benefits being retroactive to July 2020. The CLA signed is for a period of three years.

The increase in depreciation costs (ANG 1.4 million) relates to increased investments in general and to investments in Essential Upgrade assets in particular, which assets are to be depreciated in an accelerated manner, as they are intended to be retired when the new hospital becomes operational in Q1 2025.

Bad debt amounted to ANG 8.6 million, which is 23% higher than in 2020 (ANG 7.0 million). However, when compared to the total medical income, we observe a decline from 8.5% to 8.3%, thereby reflecting a slight improvement on collections of doubtful accounts. The write-off remains significant, and Management will continue to pursue its efforts to further reduce this loss of income. Management realizes the reality that on St. Maarten a part of the population is not entitled to a PP-card and are consequently not insured. As a medical institution, SMMC is obliged to provide care to all persons in need, irrespective of their ability to pay. The medical bills for the uninsured often remain uncollected and were ultimately being borne by the Foundation. Management has been seeking and will continue its effort to work with the Government of St. Maarten to find a sustainable solution for supporting the costs related to the medical care for the uninsured and undocumented persons on St. Maarten.

Besides the improvement in the operational performance in SMGH in 2021, we recognize an improvement of the financial position as well. Total assets increased by ANG 22.4 million to ANG 113.2 million. The Foundation's solvability ratios have improved as well.

Construction in Progress

The Foundation has embarked on the construction of a state-of-the-art, well-equipped, new General Hospital with 110 beds, at an initially projected investment of ANG 182 million. Construction on the main building commenced in 2021.

The site preparation for the construction of the St. Maarten General Hospital progressed during 2021 and the first several pours for the basement floor were completed, while retaining walls, underpinning of the building and several other preparatory works were completed.

Construction in progress increased by ANG 11.3 million to ANG 47.9 million as per December 31, 2021. Most of this amount refers to investments in the new hospital. As at balance sheet date, ANG 21.8 million had been contributed through Component 1 of the Trust Fund grant managed by the World Bank, approximately ANG 14.3 million through drawdowns from the consortium of Lenders, and approximately ANG 8.9 million by SMMC's own contribution to the project so far. Some ANG 1.5 million of capitalized interest is also included.

COVID-19 continued to present a delaying effect on the progress of the construction in 2021, though parties dispute the extent of the delays and the financial impact on the organization.

At the time of this report, the project is facing a potential budget overrun, because of an extraordinary price increase in construction and shipping costs due to COVID-19 and the Ukraine war. Parties recognize the likely impact of these developments and are seeking ways to ensure that the project will continue without delays. As such, communications were held regarding possibilities for optimization of the execution and completion of the project. This discussion involves considerations regarding a possible downsizing or resizing of the project scope, but also explores the options for obtaining additional funding and/or refinancing.

All stakeholders have been appraised of the developments and have been invited to collectively pursue an optimal solution for the way forward. Once that path forward is determined, this will be documented in a Letter of Intent ('LoI') which in turn will form the basis for a binding amendment of the Design, Build and Maintain contract (DBM). Despite the challenges faced, Management remains confident that a workable path forward will be defined, and which will ensure the successful completion of the construction of this much-needed facility.



Liquidity

In 2020, Management submitted a request to the Government of St. Maarten for liquidity support following the decline in revenues caused by COVID-19 pandemic. A restoration of lost liquidity was important to ensure the Foundation's ability to meet its commitments with respect to investments in the new hospital. In the last quarter of 2021, SMGH received ANG 5 million from the Government of St. Maarten in the form of liquidity support under terms yet to be determined.

Risks

From a risk perspective, the Management of the Foundation is responsible for the overall risk management process. First, we must continue to brace for instances of natural disasters given a vulnerable, one-pilar economy, which is highly dependent on tourism. Through programs such as the Essential Upgrades discussed further in the next section, attention has been given to upgrading the existing building and facilities to ensure resilience in the transitory period leading up to the new hospital.

The 2020 pandemic which still faces us, is another area of vulnerability. Management recognizes this risk and as described, under the section Beyond 2021, has taken the necessary measures to curtail the risk as much as possible.

The building of a new hospital comes with its own inherent risks. These risks are to a great extent mitigated by a framework of controls. They include a system of oversight and regular reporting, the involvement of experts (consultants) with expertise in multiple disciplines, including finance, legal, quality control, project management and construction. In addition, there is the role of Management and the Supervisory Council in exercising accountability and being responsible to relevant stakeholders.



The recent extraordinary increase in construction and shipping costs poses a serious risk. In the paragraph 'Beyond 2021' and in the notes to the financial statement, Management describes its approach to addressing this risk, so as to ensure minimal interruption in the construction of the new hospital.

The income of the Foundation is highly dependent on the state of the economy and the ability of insurance companies to pay for the care provided. There is an inherent risk that the insurance companies, including the major insurance provider SZV, is not able to collect their premiums from Government, corporate institutions, or private businesses.

We are appreciative of the continued confidence of the consortium of lenders in the new hospital project and their commitment to sustain this to its completion. Management expects this support to be extended even as we must renegotiate the terms of the DBM contract, as a result of the extraordinary developments beyond our control.

The transfer of the contractual rights and obligations existing between INSO / FINSO (the general contractor for SMGH) and SMMC was finalized in 2021. FINSO has been executing on the agreement as planned and, despite the present impasse with respect to the escalation of costs beyond parties' control, construction is still moving ahead. Management has every indication that FINSO remains committed to the completion of the project, be it under modified terms.

Beyond 2021

In the first part of 2022, several elements of the program to realize the essential upgrades were completed and available for use by the patients. The completed projects include two new operating rooms, an expansion to the dialysis facility, including an increase in the number of chairs and the renovation and expansion of the Oncology unit. These projects were financed by the Trust Fund grant which is funded by the Netherlands and managed by the World Bank. In addition to these elements, the funds are being used to improve emergency preparedness, to support the initiative towards Joint Commission International (JCI) accreditation and the updating and implementation of clinical guidelines, quality control mechanisms and internal technical audits. Finally, a part of the funds will also be used for staff training and upgrading. At the time of this report, 12.7 million (64%) of the ANG 19.9 million has been used by the end of 2021.

In May 2022, the AMI staff left St. Maarten. This team of medical and critical nursing staff was made available via the Dutch Ministry of Public Health, Wellbeing and Sports (VWS) to assist SMMC in providing care to COVID patients. The staff of SMMC has been able to provide uninterrupted services and has kept the Auxiliary Care Facility (ACF) operational. We remain in a state of preparedness for the eventuality of spikes in the number of COVID-19 cases that require hospital care. At the same time, however, we will continue to pursue a subsidy from the Government of St. Maarten to cover any extra costs directly related to COVID-19 care. Up until now, these costs have been covered by the Dutch Ministry (VWS) and the grant managed by the World Bank.

In 2022, SMMC will remain focused on ensuring that the construction of the new hospital proceeds with minimal interruption. As detailed in the notes to the financial statements, the project is presently facing a substantial increase in the construction budget. As stated before, this is due to the extraordinary price increases in construction and shipping costs as a result of market developments surrounding COVID-19 and the Ukraine War. These factors, beyond the control of SMMC, have obliged parties to engage in discussions about a potential budget overrun and how best to address this. These discussions include consideration of a possible downsizing or resizing of the scope of the initial project and/or seeking additional funding or refinancing.

We are pleased to note that all stakeholders are actively engaged and supporting us in finding a suitable solution that will ensure that our new hospital will be completed, despite the developments beyond our control.

As the number of COVID-19 restrictions around the world subsides and the number of tourists to St. Maarten is restored, Management of SMMC wishes to focus its attention on developing a medical tourism program at SMMC. This program entails providing high level quality of care with a focus on certain areas of specialty for non-residents at SMMC. Present plans also envision a floor in the new hospital dedicated to attending to visiting patients and their families and includes a partnership with a legacy medical service provider that will perform the services within SMMC. Services will also be available to resident patients. Management is developing the plans and expects to gradually introduce this tourism program by the last quarter of 2022.

Management continues to pursue improvement of the internal control environment, the finance function and financial reporting, in accordance with recommendations received from the external auditor. In 2021, this had already resulted in a significant improvement in revenue. In 2022, we will sustain the achievements made and continue to strengthen the controls in connection with the revenue process. Our goal is to achieve an unmodified audit opinion in the shortest time possible. For this purpose, management continues to invest time and resources in this direction.

Management will continue to pursue the 'Fit for the Future' program in all its aspects with the ultimate goal to achieve JCI accreditation over time. The progress of the program is monitored using a system of monthly 'Smartified Objectives' reporting.

To successfully achieve the goals outlined, it is imperative that the staff is equipped to deliver on the expected services and improved operational effectiveness. Hence, adequate training continues to be a focal point in ensuring that our personnel is equipped with the knowledge and skills necessary to attain the organization-wide objectives.

Respectfully,

Dr. Felix Holiday
Chairman Board of Directors



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 and supporting pillars.

Core Values

Cooperation

Respect

Helpfulness

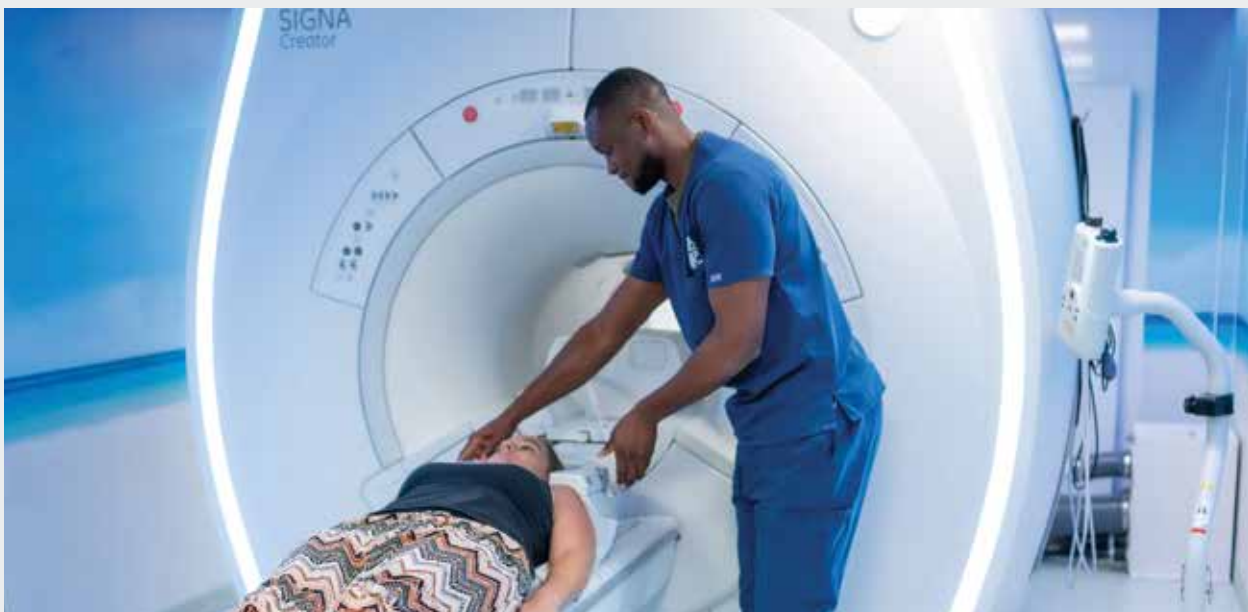
Professionalism

Supporting Pillars

Safety

Health

Satisfaction



Leadership

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

Supervisory Council



Robert-Jan James
Chairman



Sandy Offringa
Vice Chairperson



Jim Rosen
Secretary



Dr. Heidi Chumley
Member



Sherwin Casper
Member

Board of Directors



Dr. Felix Holiday
Medical Director



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



Nada Mathew-Sandiford

Management Team



Antonio Pantophlet
Manager Patient Care
& Education



Christina Jacobs
Manager Outpatient Care



Sheila Hodge
Manager Support Services



Erika van der Horst
Project Manager St. Maarten
General Hospital



Michael Sargeant
Head Maintenance &
Facilities



Amanda Gumbs-Weijmer
Concern Controller



Harlec Doran
Manager Human Resources



Keith Hanson
Interim Manager ICT
(per August 2021)



Bonnie Dekker
Strategy & Business
Development Manager



Janneke Lok
Legal Counsel

Independent Auditor's Report

Report on the Abbreviated 2021 Consolidated Financial Statements

Our Opinion

The summary (hereafter: 'abbreviated') 2021 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, 2021.

In our opinion the accompanying abbreviated 2021 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, 2021, 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 2021;
2. the summary consolidated income statement for the year then ended; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Abbreviated Consolidated Financial Statements

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

that occurred subsequent to the date of our report on those consolidated financial statements.

The Audited Consolidated Financial Statements and our Disclaimer of Opinion

We did not express an opinion on the consolidated 2021 financial statements of the foundation in our report dated June 30, 2022. Because of the significance of the matter described in the 'Basis for our disclaimer of opinion' paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for our Disclaimer of Opinion

The internal control system regarding the completeness of invoicing of medical treatments and related income sources was inadequate during 2021. We were unable to obtain sufficient audit evidence by alternative means concerning the completeness of medical income and the related accounts receivable. As a result of this matter, we were unable to determine whether any adjustments might have been necessary in respect of medical income and related accounts receivable for the year ended December 31, 2021.



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 2021 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, 2021, based on our audit, in accordance with Dutch Standard on Auditing 810, 'Engagements to report on summarized consolidated financial statements'.

St. Maarten, June 30, 2022

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

Signed by:
P.C. Lungu FCCA



Abbreviated Consolidated Balance Sheet as at 31 December 2021

(Before appropriation of result)

	31 December 2021	31 December 2020
	ANG	ANG
ASSETS		
<i>Fixed Assets</i>		
Intangible Assets	215,299	246,029
Property, Plant & Equipment	73,399,070	57,915,689
<i>Current Assets</i>		
Inventories & work in progress	5,403,791	5,339,433
Receivables	18,034,608	13,522,797
Cash and Cash Equivalents	16,177,741	13,768,277
Total Assets	113,230,509	90,792,225
EQUITY & LIABILITIES		
<i>Foundation's Equity</i>		
Equalization Reserve	39,796,501	35,783,114
Provisions	30,515,196	19,572,328
Non-current liabilities	6,309,807	5,697,714
Current liabilities	16,145,215	12,983,925
	20,463,790	16,755,144
Total Equity & Liabilities	113,230,509	90,792,225

Abbreviated Consolidated Income Statement for the Year 2021

	2021	2020
	ANG	ANG
Medical Income	103,512,296	82,891,969
Direct Medical Expenses	-26,049,304	-26,762,268
Gross Margin	77,462,992	56,129,701
Other Operating Income	1,676,287	9,057,628
Gross Margin	79,139,279	65,187,329
Salaries and Wages	48,467,488	45,113,990
Depreciation of intangible and tangible fixed assets	6,575,830	5,391,463
Other Operating Expenses	19,787,939	17,340,549
Total of Sum of Expenses	74,831,257	67,846,002
Total of Operating Result	4,308,022	-2,658,673
Financial Expense	-180,183	-658,984
Total of Result Before Tax	4,127,839	-3,317,657
Profit Tax Expense	-114,452	-
Total of Result After Tax	4,013,387	-3,317,657

Notes To The Abbreviated Consolidated Financial Statements

General Notes

General

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

Corporate Governance Code

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

The Basis of Preparation

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

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

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

For Comparisons Purposes:

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

For Economic Reasons:

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

Going Concern and Financial Position of the Foundation

During the preparation of these financial statements, Management evaluated the impact of the COVID-19 crisis to the entity and has concluded that despite the developments, the going concern assumption of the entity is not affected.

For the year ended December 31, 2021, SMGH recognized a net consolidated profit in amount of ANG 4 million (2020: loss of ANG 3.3 million). As at that date, current assets exceed current liabilities by ANG 19.1 million (2020 15.8 million). Consequently, these consolidated financial statements have been prepared on a going concern basis, which assumes that the Foundation will be able to meet the mandatory repayments required in the foreseeable future.

Consolidation

SMMC owns 100% of the shares of St. Maarten Medical Center Pharmacy N.V. (the company) and therefore the balance sheet, the income statement have been consolidated. Intercompany transactions and balances between the company and SMMC are eliminated upon consolidation. St. Maarten Medical Center Pharmacy N.V. also known as Cayhill Pharmacy (CHP) was incorporated on September 27, 1991 in St. Maarten. The entity's main objective is to conduct and sell pharmaceutical supplies operating as a public pharmacy on the Dutch side of St. Maarten. The entity commenced its operations in March 1991.

General Accounting Principles

Disclosure of Deviation in Prior Period Figures Due to a Revision

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

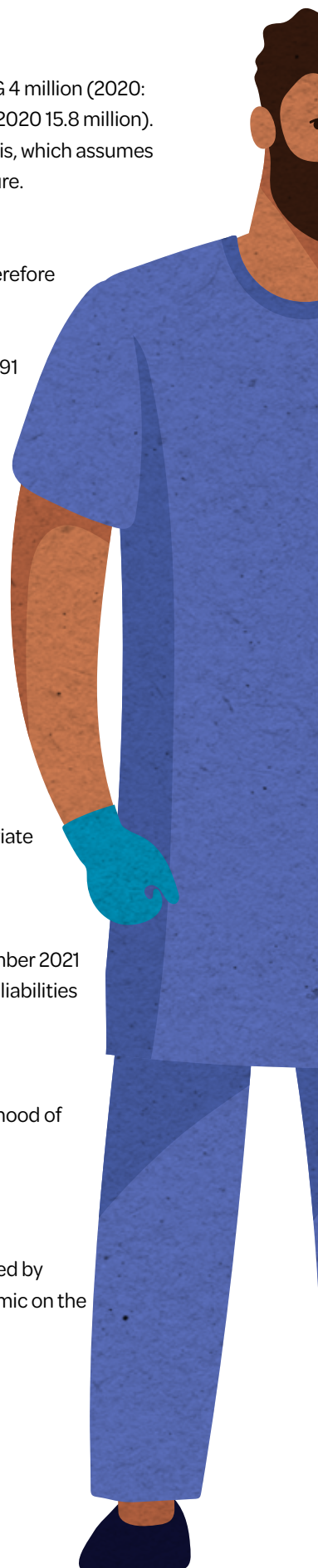
Use of Judgment and Estimates

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 2021 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is included in the following notes:

- Note 2** Useful life determination and including accelerated depreciation of tangible assets;
- Note 3** Obsolescence of medical supplies;
- Note 4** Measurement of allowance for trade receivables: key assumptions in determining the likelihood of non compliance with the payment terms;
- Note 8** Measurement of post-employment benefits obligation: key actuarial assumptions;
- Note 12** Recognition and measurement of provision and contingencies: key considerations.

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





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 costs 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 to 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.

Foundation Sint Maarten General Hospital, St. Maarten

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.

Tangible Fixed Assets

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

Accounts 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 comprises of 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 equipment has been purchased and received. The amounts are amortized in line with the straight line depreciation of the related assets. The amortization of the equalization reserve is recognized 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 balance sheet. Income is realized in the year in which the services rendered are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

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

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

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

Medical & Patient Care

This chapter outlines the developments in medical and patient care during 2021.

COVID-19 Pandemic

During 2021, the COVID-19 pandemic created various surges due to the Delta and Omicron variants which were dealt with through COVID care mostly being administered by a team of 41 medical and critical nursing staff from AMI Expeditionary Healthcare, a global provider of innovative healthcare solutions, at SMMC's Auxiliary Care Facility (ACF) located across from the hospital. This ensured that SMMC could continue with elective care procedures and polyclinic consultations for the majority of the year, however the downscaling of non-urgent and elective cases during the surge in August still was necessary.

Adding Capacity and Staff

Cardiology

A new permanent Cardiologist was added to the Cardiology team.

Ear, Nose and Throat Surgery (ENT)

A multidisciplinary Obstructive Sleep Apnea (OSA) team was formed and hosted monthly meetings.

Emergency Room (ER)

For safety reasons, two containers were built and equipped for triaging COVID patients in the open area in front of the ER. An extra office was built, adjacent to the ER, for the supervisory team and secretary while the former office has been turned into a break room. A new and spacious waiting room was built in front of the ER, which is fully air-conditioned and is monitored with cameras from within the main ER and triage room. A new ER Physician was also welcomed in January 2021.

Expansion Dialysis Clinic

The construction started for the expansion of the Dialysis clinic to 21 positions (from 14), which was delivered in December 2021, making it possible to reduce the number of shifts per day from three to two.

Expansion Oncology / Chemotherapy (IV Therapy Suite)

Through an expansion of the Oncology department, the Chemotherapy clinic was renamed the “IV Therapy Suite” located next to the Dialysis department. It features an increase in treatment positions (5 chairs), a waiting room, an isolation room, a break room, it is wheel-chair accessible and includes a nurse station.

Expansion Operating Room (OR) complex

Repairs and renovations of the current OR complex and construction of a brand new 2 theatre OR complex (Class 1) with recovery room and supporting offices were started.

Internal Medicine

As per the 1st quarter of 2021, a full-time Internist-Endocrinologist was added to the Internal Medicine team.

Plastic and Aesthetic Surgery

A Plastic and Aesthetic Surgeon continues to visit on a rotational basis.

Pulmonology

A part-time rotational Pulmonologist was made available as per February 2021 to also assist with the ongoing COVID pandemic.

Radiology

The Radiology services were expanded with the opening of SMMC’s new, state-of-the-art MRI Suite in mid-2021 and thus started working with a new GE MRI SIGNA CREATOR 1.5 Tesla machine.

Nursing

Improving Care

Although the COVID pandemic was not as severe for SMMC in 2021 as the year before, several surges did impact the hospital’s operations and put a heavy strain once more on the nursing staff. However, our aim to continuously improve the quality of care through training was followed through in 2021.

Several steps forward have been made, such as an Orthopedic specialization training whereby two of our OR technicians went to the Netherlands for training for total joint implants followed by OR technicians and Registered Nurses from the Netherlands coming to SMMC to lend their support to the OR team and the nursing staff on the wards for the first total joint procedures.

As the Dutch Ministry of Public Health (VWS) and Dutch National Institute for Public Health and the Environment (RIVM) are seeking the services of SMMC as part of their breast cancer screening program for Saba and St. Eustatius patients, our Radiology Technicians got a refresher training in Mammography in collaboration with RIVM during 2021. Cardiac rhythms and ECG interpretation (basic and advanced) trainings were also completed for the ICU and ER nurses and the SBAR reporting method was introduced on the inpatient departments. Due to the pandemic, staffing was affected – especially in December during the Omicron variant surge – and in general recruitment of qualified staff for ICU, ER and Dialysis remained a big challenge throughout 2021.

Health Events

The annual prostate cancer screening (postponed from the year before), a COVID-19 vaccination pop-up and a health check corner combined event was held in the parking lot at SMMC which was well received and attended.

Social Work

The social work unit caters to the individuals within the medical system who tap into the care resources at SMMC. During 2021, seventy-five (75) cases were handled from the wards at SMMC as per the following break-down:

WARD	NUMBER OF CASES
Medical/Surgical	30
Obstetrics/Gynecology	3
Pediatrics	9
Dialysis	8
Outpatient	19
ACF	3
ICU	3
Total	75

The factors playing into the reduced number of cases compared to previous (non-pandemic) years:

- COVID-related protocols
- Curfews prohibiting mobility in the community
- COVID-related hindrances in conducting house visits
- Scaled back services at SMMC
- Repeat cases overlapping on several wards simultaneously (e.g. a Dialysis patient being treated at Med/Surg)

Of the seventy-five cases presented, 44 were Dutch nationals, 2 were registered as unknown, 19 non-Dutch and 10 were undocumented persons. The assessments done entailed 35 males and 40 females. There were no recorded deaths of the referred cases to the social work unit in 2021.

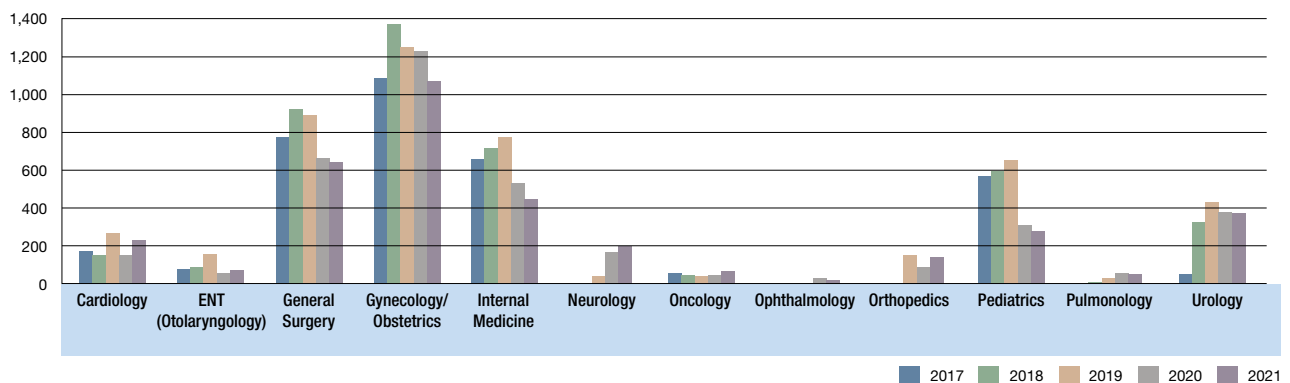
Performance Figures

The following sections describe the performance figures of SMMC realized for 2021.

Inpatient

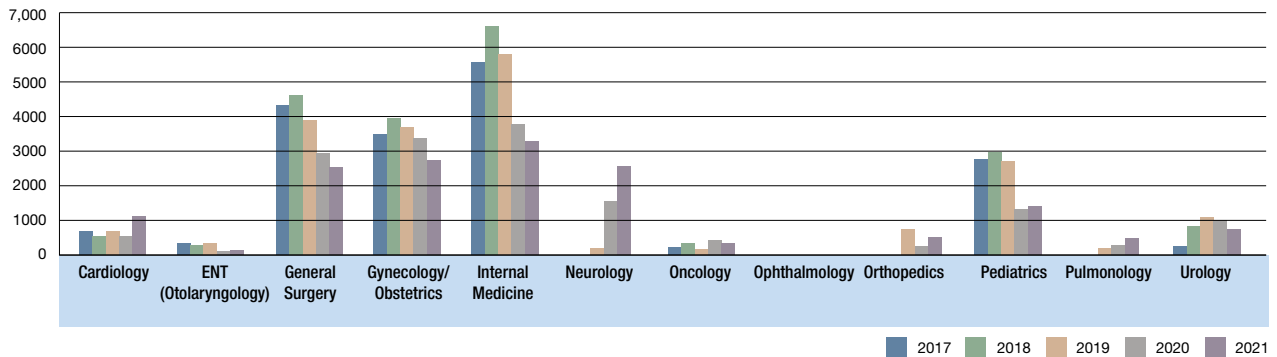
Although production numbers in general continued to be affected in 2021 due the lingering pandemic, especially in-patient related production numbers, the total number of admissions (3,771) in 2021 increased slightly with 2.9% compared to year before (3,663). However, this is still 19.1% down when compared to pre-pandemic level of 4,661 admissions (2019). The admissions per specialty are shown below.

Hospital Admissions



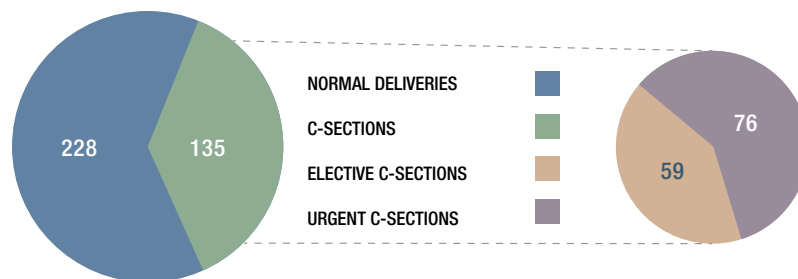
In 2021, the number of hospital days (16,849) also increased slightly with 5.3% compared to the year before (16,007). The hospital days per specialty are listed in the graph below.

Hospital Days



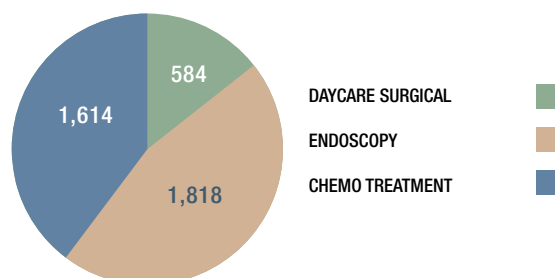
Newborns

The total number of newborns has decreased with 10.1% to 363 from the year before (404).



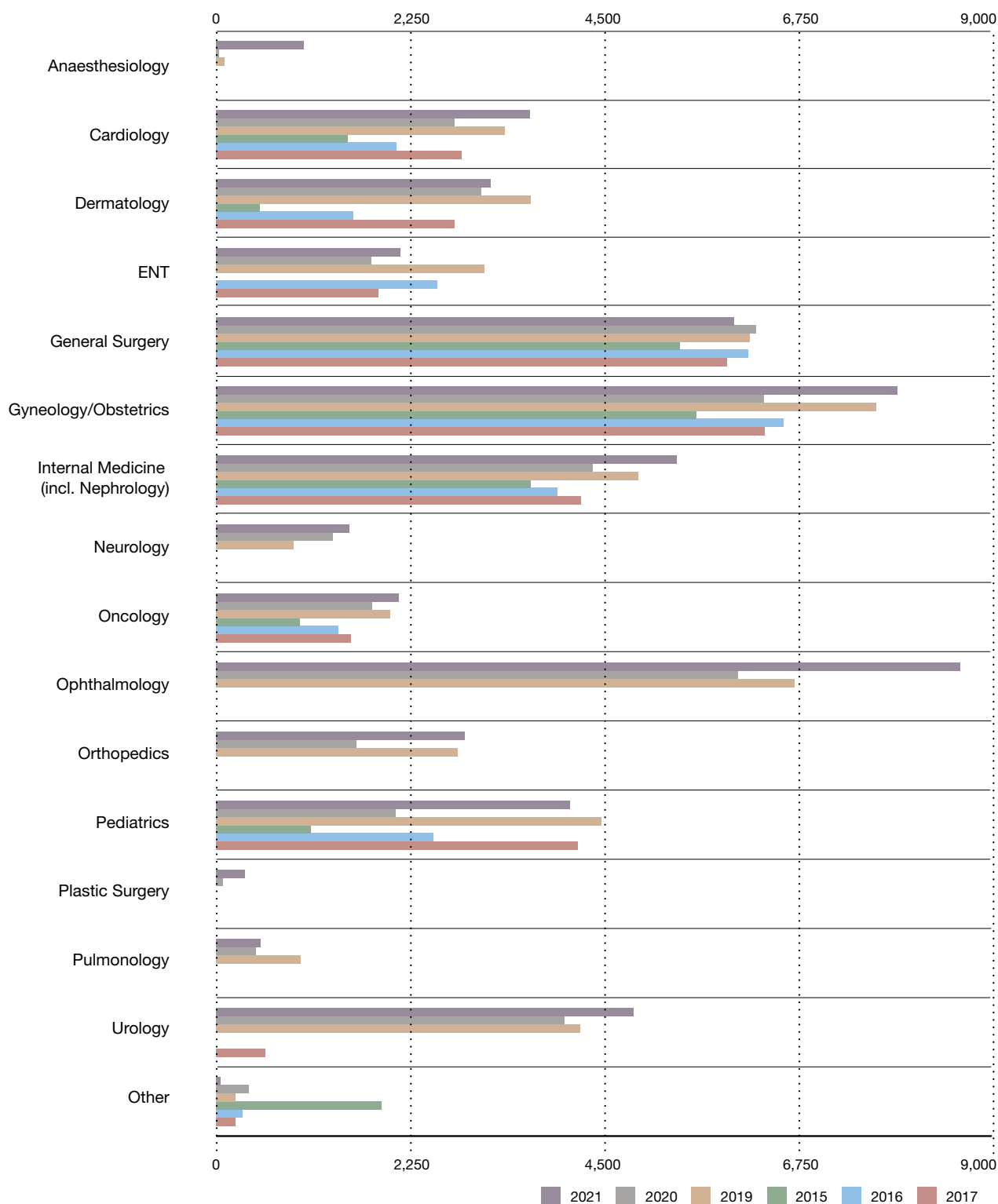
Daycare Activities

The total daycare activities in 2021 (4,016) show a modest increase (4.1%) from the year before (3,857).



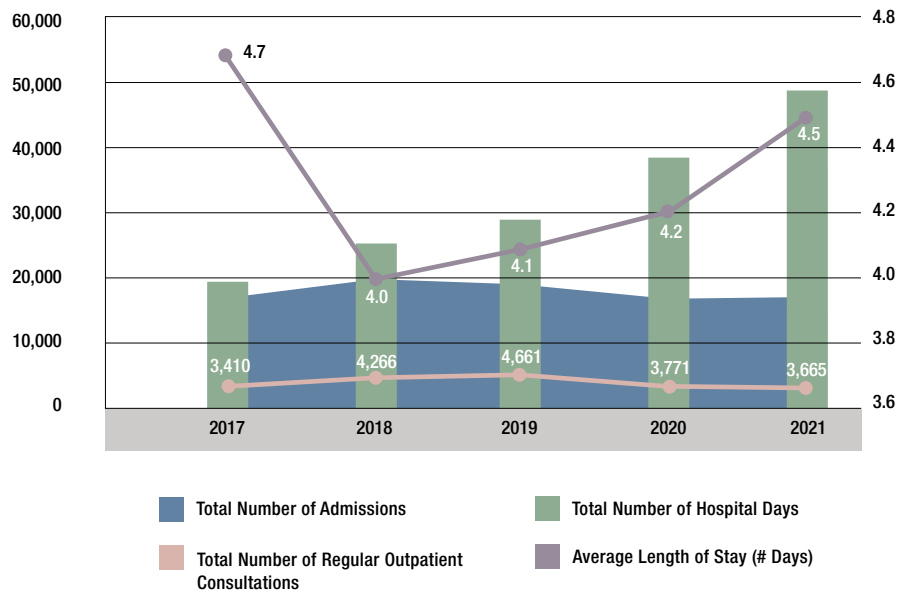
Outpatient Consultations

Robust growth (25.9%) in regular outpatient (policlinic) consultations were recorded across all medical specialties in 2021 (51,905) compared to the year before (41,198) which is a result of consultations being interrupted less by the pandemic in 2021 versus the year before. The numbers of outpatient consultations per specialty are as follows:



Annual Development

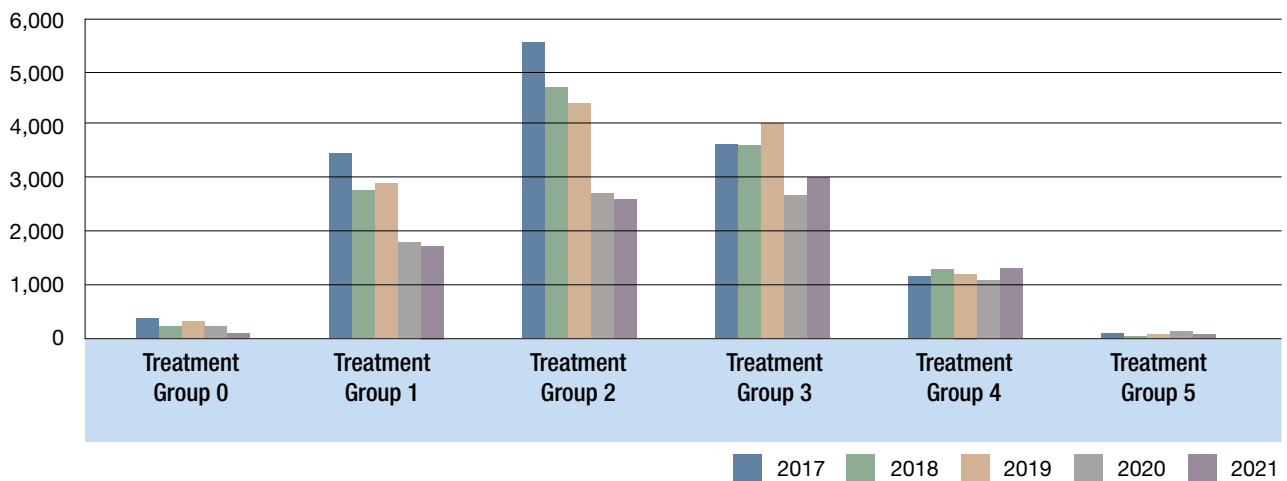
The annual development of the total number of outpatient consultations, hospital days, admissions and length of stay is shown in the graph below.



Emergency Room

The total number of Emergency Room (ER) visits in 2021 (8,848) increased slightly with 2.8% compared to the year before (8,603) but are still well below pre-pandemic level of 2019 (12,830) which is most likely due to patients visiting their family doctor first in case of non-emergency care, an issue SMMC has placed emphasis on. However, the ER staff remain strenuously engaged as treating the many COVID related patients seeking ER treatment requires more time and effort and include precautionary protocols per patient than non-COVID patients. The below graph shows the number of ER visits per treatment group, treatment group 0 and 1 being general practitioner care and treatment group 3, 4 and 5 representing increased levels of complexity.

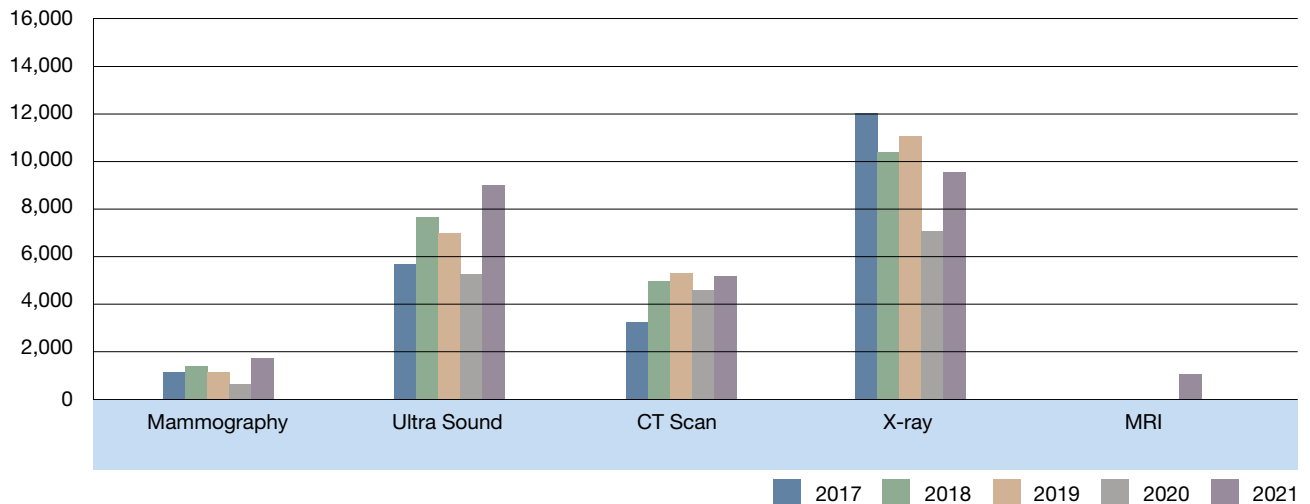
ER Visits



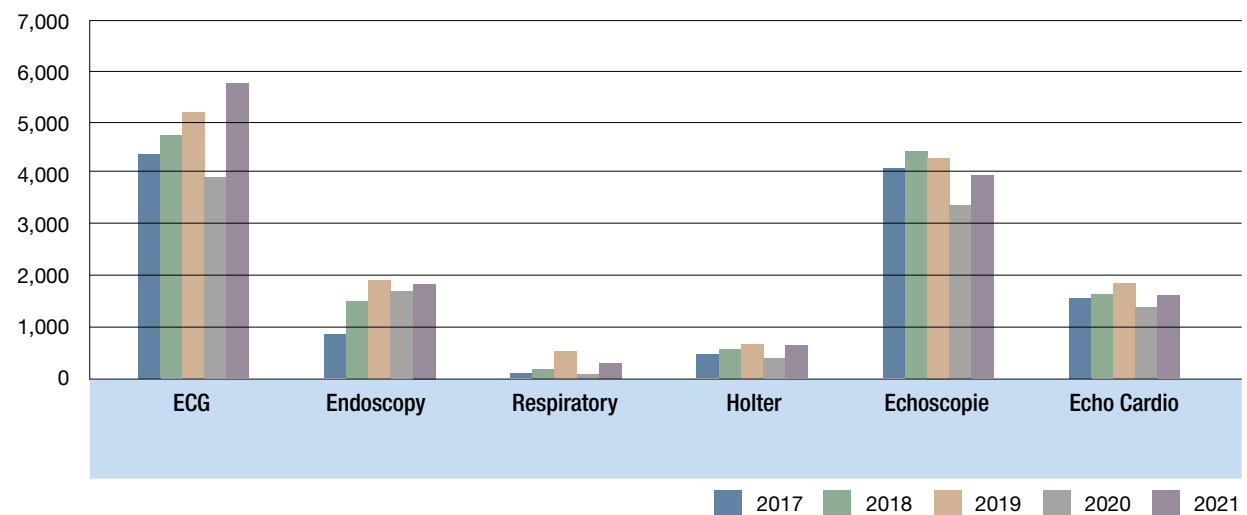
Radiology and Diagnostics

The number of radiology procedures in 2021 (26,287) increased significantly with 43.2% compared to the previous year (18,359) and also the number of diagnostics (10,768) saw a large increase (32%) compared to the previous year (14,219). Both are attributed to no interruptions in polyclinic procedures being experienced in 2021 due to the pandemic and for Radiology the addition of our MRI machine contributing with 976 procedures in 2021.

Radiology Procedures Per Year



Diagnostic Procedures



Dialysis

The Dialysis department serviced 92 patients in 2021 of which 24 were new patients. A total of 11,898 dialysis treatments were conducted this year, which is a 11.9% increase compared to the previous year (10,628). A total of 10 dialysis patients reside in either Saba or St. Eustatius.



Finance

Since mid-August 2020 the CFO function, which is critical to SMMC, is being filled in the interim by a team from Versant Accountants & Consultants (Versant), while the recruitment of a CFO remains ongoing.

The Finance Department continues to undergo a transformation towards achieving sound financial management of the hospital. As SMMC moves from sight to insight, one of the items achieved herein was a budget at departmental level as of 2021. The departmental budget allows for more insight into what takes place financially per department. Monthly comparisons of the budget versus actuals were circulated to all managers putting the managers in control of what takes place within their respective departments.

Revenue & Result

The Finance Department in collaboration with the ICT department embarked on a billing reconciliation project geared towards ensuring of the completeness of revenue. As of May 2021, all billing is reviewed and reconciled with services rendered. This exercise captured an additional ANG 5.3 million in revenue which was previously missed. While the project delivered great financial benefits, it still needs to be further developed in order to give assurance on the completeness of revenue.

SMMC noted a surplus of approximately ANG 4 million for 2021, in comparison to a loss of ANG 3.3 million in 2020. This surplus was greatly attributed to the billing reconciliation which captured an additional ANG 5.3 million in otherwise missed revenue. An increase in medical income was notable across all specialties as various services were expanded upon during 2021.

The 2021 budget expected a loss of ANG 181,434, with total revenues of ANG 86.3 million, and expenses of ANG 86.5 million. Total revenues realized were ANG 95.2 million and expenses ANG 91.2 million. While revenues realized were some 10% above budget, expenses were only 5.4% above budget.

Expenses

Management's continuous efforts to keep cost in line with budget resulted in housing and office expenses being more or less in line with budget, and general expenses being below budget. However, depreciation expenses were considerably higher due to the accelerated depreciation of the current building and essential upgrades which will be demolished upon completion of SMGH.

Through increased collection efforts of receivables, the dotation to accounts receivable provision decreased in 2021, from 7.4% of medical revenue to 6.4%. However, write-offs of accounts receivables were near ANG 1.7 million in 2021.

Internal Audit

Annual Audit Plan

The Internal Audit Department (IAD) Audit Plan outlined the internal audit activities performed by the department during 2021 in accordance with agreed upon methodology and scope as approved by the Audit Committee and Board of Directors of SMMC.

Activities

During 2021, IAD issued 26 reports: of the total 18 related to audits and 8 to consulting compliance reviews and investigations. IAD has contributed to optimally enhancing operations and provided value to management with recommendations relating to compliance, project risk management and control processes within the control framework of SMMC as an essential component of risk mitigation.

Audits	Audit Plan 2021	In Progress	Total Completed	% of Total
Compliance	9	1	8	89%
Financial	3	1	2	67%
Full Scope	6	1	5	84%
Total	18	3	15	83%
Advisories	8	1	7	86%
Compliance				

Internal Audit Assurance

One of the objectives in 2021 included reporting on the audit areas based on Risk Level/Assurance Level and adapting approaches to suit the most vulnerable and high-risk areas within the hospital management and information reporting procedures and its effectiveness, efficiency and accuracy. On the basis of these insights, the department put forward, where relevant, practical proposals for improvements aimed at strengthening the governance, operational management and operational processes of the organization.

SMMC continues to engage on managing the risks and issues pertaining to the assurance levels. The focus remains on the progress of all high risk areas. Based on this, the Board of Directors together with the Audit Committee are committed to maintaining a robust supervision by the continuous review and progress made on the following areas:

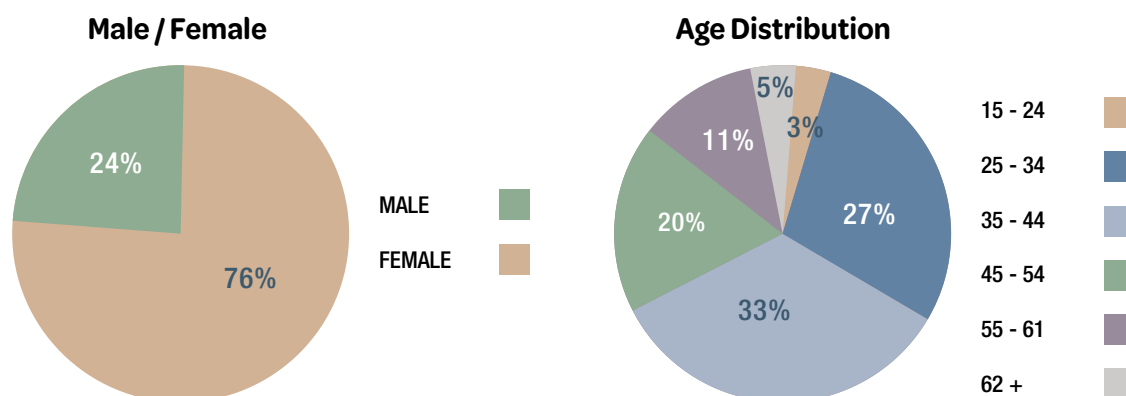
- The organization's Risk Management system
- Core and mandated reviews, including follow up
- Selected range of individual risk-based assurance reviews reported in the year



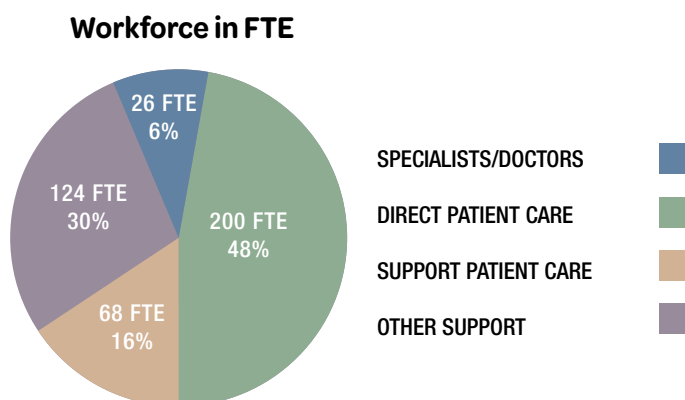
Human Resources

Human Resources Dashboard and Highlights

Per the end of 2021, SMMC staff was at 76% female (down from 81% the year before) and 24% male (up from 19% the year before) of which the 25-34 year old age bracket saw the largest decrease (from 32% in 2020 to 27% in 2021) and the 35-44 year old age bracket continued the steady increase similar to the year before (from 31% in 2020 to 33% in 2021)



By the end of 2021, SMMC had a total number of 419 FTE, up slightly from 411 in 2020. The continued increase in number of employees is essential in supporting the ongoing expansion of medical services as we transition to the new hospital.



Quality and Safety

Patient Safety

The Quality and Safety (Q&S) department is making continuous efforts on the multi-annual Culture of Safety Plan. The rationale for this safety culture improvement strategy is to develop a hospital leadership strategic governance plan to guide all levels of leadership towards cultivating a better collective approach to culture of safety awareness, development, implementation, accountability and sustainability. Improved safety reporting leads to a better understanding of where there are specific process, education, or policy and procedure gaps throughout a department, across departments, or within the organization itself.

In light of improving culture of safety, leadership safety walk rounds were introduced in 2021. In addition, the Hospital Safety/FONA Committee increased their efforts for making incident reporting easier.

Quality Governance Guidance Document

With the objective to structure the Quality & Safety initiatives throughout SMMC, one of the activities for 2021 has been the development of a 'clinical guidance document' and derived from this, a reporting tool with quality indicators and other key performance indicators (KPI's). The clinical guidance document is based on five pillars:

- JCI Progress
- Quality Committees
- Clinical Guidelines (with their KPI's)
- Quality Programs
- Key Performance Indicators

In line with this, a reporting tool was set up, that is used to report to the Quality & Safety Committee of the Supervisory Council and the Inspectorate of Health on a quarterly basis. The reporting tool, including KPI's, will be further developed during the course of 2022.

JCI Accreditation

In 2021, the decision was taken to shift the approach to the JCI accreditation trajectory, by establishing departmental goals that align with a standard from the relevant JCI chapter (instead of working on completing an entire chapter). It was concluded that real progress in the implementation of standards, depends on the effort that is made on departmental level. That prompted the introduction of Chapter Champions and Quality & Safety Standard meetings that take place on a weekly basis. The goals of the Quality Standard Meetings are to:

- engage the chapter champions on working on the JCI standards;
- keep motivating chapter champions and give incentives to keep working on their quality standards on a weekly basis;
- to educate the chapter champions on the JCI path and process, patient tracers and mock surveys;
- educate the chapter champions on how to write policies.

Patient Family Panel

The Patient and Family Panel is a new committee, which kicked off in 2021. With this Patient and Family Panel, SMMC is not only following the advice of the Inspectorate, but also the JCI standard of the chapter Patient Centered Care (PCC). The purpose of the Patient and Family panel is to create an environment where patients and/or caregivers can offer insights and input to help SMMC provide care and services that are based on patient/caregiver-identified needs.

Hand Hygiene Program

With the implementation of the Hand Hygiene program in 2018, SMMC is adhering to the International Patient Safety Goal (ISPG) 5 - Reduce the Risk of Health Care Associated Infections. For onboarding of new staff, preparations have been made for the incoming staff to view the Hand Hygiene presentations in TalentLMS (Learning Management System) and to take the exams online before commencing their duties at SMMC. Staff who have completed the course and can present a printed certificate will then do the practical exam with the HIC department.

Patient Satisfaction

The Quality and Safety Department is monitoring patient satisfaction through surveys. Capturing data on patient satisfaction, contributes to adherence to the GLD standards (Governance, Leadership, and Direction) and the ACC standards (Access to Care and Continuity of Care). For the year 2021 there were in total 333 responses with an average satisfaction rate of 8.0. The low number of responses is due to COVID, as the Service Desk was tasked with COVID related tasks and was also understaffed. In 2020 there were in total 601 responses with an average satisfaction rate of 8.3. And for the year 2019 (before COVID) there were a total of 1974 responses for the whole year with an average satisfaction rate of 8.

The Quality and Safety Department looks at quality improvement points from the feedback received from the PSS and creates an action list to work on improving the quality and patient experience.

Facilities

Apart from working on delivering the World Bank funded projects (see PMU chapter), the Facilities Department (FD) undertook general preventative maintenance to the SMMC facilities and related equipment including Biomed equipment. FD also facilitated in adding capacity to the Obstetrics/Gynecology department by constructing new delivery rooms. Expanded check-in and cashier counters, an expanded patient waiting area in the main patio, a new ER security booth, a new ER triage area and a new ER waiting room were also delivered during the course of 2021.

Contract Management

An important part of controlling cost is active and effective contract management throughout the year. Several Request for Proposal (RFP) projects were undertaken during 2021 such as the 'Leasing of Vehicles' and 'Security Services' - both leading to switching of vendors for more favorable terms, increased quality - and an RFP being prepared for 'Janitorial Services'. The RFP projects are a joint effort with the Communications Department and the received bids are reviewed by the Evaluation Committee consisting of representatives from the FD, Legal and Communications departments. Also, a new CT scanner was purchased in 2021.

Upgrading of Multipurpose Sports Court

Towards the end of 2021, SMMC completed the upgrading of the John Cooper Jose Lake Sr. multipurpose sports court living up to the Memorandum of Understanding signed in 2020 with the Ministry of Education, Culture, Youth, and Sports and Social and Health Insurances (SZV) granting SMMC temporary usage rights for a parcel of land located at the Raoul Illidge Sports Complex. The parcel of land was to be used for parking by SMMC for the duration of the construction of SMGH, however due to the pandemic, it has also been used since then as the location for the Auxiliary Care Facility (ACF) where COVID care is administered.



Contract Management Bureau (SMGH construction)

SMMC's Contract Management Bureau (CMB) is charged with the day-to-day supervision of the design and construction of the St. Maarten General Hospital (SMGH). The SMGH project consists of the Design, Construction and Maintenance of the new hospital. The contractor is responsible for the design and construction of the new hospital in accordance with the requirements set forth in the tender document.

The Extraordinary Administrative Procedure (EAP), which the contractor (INSO) was forced to enter after its parent company (Condotte d'Acqua) ran into financial constraints, started in December 2018 and ended in October 2021 after SMMC approved the transfer of the SMGH project to the Fincantieri Group, who under the resolution of the EAP took over all of the projects of INSO. Furthermore, the contractor (now known as FINSO) made some changes in its project management team at the end of 2021.

Final Design

The contractor submitted the revised Final Design in March 2021 and in June 2021, SMMC provided 'consent with comments' on the Final Design as it was agreed that the pending points will be incorporated during the following phase (Technical Design) of the project.

Medical Equipment

In 2021, the contractor organized user-participation sessions related to the proposed medical equipment. During a total of 18 workshops, several suppliers presented their proposals and options to the various departments. Furthermore, departmental sessions within SMMC were held to verify with the end-users if the established medical equipment list was complete in preparation of the procurement phase scheduled to start early 2022. Discussions were also held for the transition of existing medical equipment to SMGH.

Construction

At the end of 2020, a trench with utilities (electrical/water/fiber cables) was found on the SMGH construction site along the G.A. Arnell Boulevard (also known as 'Link 1'). All these utilities had to be relocated under the public sidewalk of Link 1. This was completed in May of 2021. In 2021, the following "fast-track activities" were completed:

- Construction of retaining walls below the Care Complex
- Underpinning of the SMMC building
- Construction of a retaining wall along Welgelegen Road
- The insertion of the piling wall along Link 1
- Pouring of the foundation for the 2 tower cranes
- Erection of the first tower crane
- Excavation works on the main building

On 23 September 2021, the project achieved a milestone when section 1 (out of a total of 7 sections) of the SMGH main building foundation was poured. Sections 2 and 3 were poured during the remaining of 2021. By end of 2021, FINSO sent the first notifications for extraordinary price increases of materials and shipping costs due to the pandemic. Furthermore, FINSO reported of shipping challenges due to unavailability of containers and limited booking space on ships.

Project Management Unit (World Bank projects)

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

Component 1 - Building and launching of SMGH	(US\$ 17 M)
Component 2 - Transition and Contingency Plan for SMMC	(US\$ 7.7 M + US\$ 3.6 M)
Component 3 - Project Management	(US\$ 300 K)

The Essential Upgrades to SMMC are part of component 2 and are managed by the Project Management Unit (PMU). The activities and status updates for 2021 are listed below.

- **The Medical Gas Distribution System Project:** consists of the renewal and expansion of SMMC's current system. Continuation of the works started in March 2021. The main distribution lines were installed above the ceiling in the main hallways, bedhead units for the new double patient rooms, and all components for the new OR complex were in place by the end of 2021. Full project completion is expected in 2022, depending on the timeline for the OR renovation.
- **The 5 Double Patient Room Building (5DPR) and OR Complex:** Construction commenced in early 2021 and the double patient rooms were officially taken into commission at the end of 2021 being somewhat delayed due to the malfunctioning of A/C equipment.
- **The Dialysis Expansion:** With the completion of the project at the end of 2021, the Dialysis department was expanded with 7 additional dialysis positions to 21 positions in total, a technical room for storage and repair, an electrical room, a sanitary facility and a nurses station. The Oncology department (IV Therapy Suite) consists of 5 chairs, of which 1 is in a separate room with its sanitary facility, an office with a small pantry, a separate sanitary facility for patients and staff and a nurses station.
- **COVID-19 Procurement:** PMU only continued with the procurement of COVID consultancy services for temporary staff and operational costs consisting mainly of oxygen supply and electricity/water expenses for the Auxiliary Care Facility.

Furthermore, three early delivery packages were ordered through FINSO during 2021. Equipment was ordered for the Dialysis expansion, the 5 double patient rooms and the OR expansion. As both the double patient rooms and the OR complex are SMGH duplicates, it gives staff the opportunity to already use, get familiar with, test and evaluate - for example - the contractor proposed beds for some time, prior to having to place the full order for SMGH.

ICT

During 2021, the ICT department (ICT) embarked on the following key projects.

Hospital Information System (HIS)

One of ICT's annual objectives was to continue enhancing the functionality of the hospital's HIS system (Evident) and expand on the utilization and quality of Electronic Patient Documentation (EPD) and International Coding of Diseases (ICD, 10th revision), ICD-10 coding of patient medical records. The Health Information Management (HIM) team expanded the ICD-10 coding of a patient's diagnosis from only documenting inpatient accounts to now piloting capturing patient data from the Internists' clinics as well. The quality of coding was increased with various trainings of

the HIM team and by doing so, the HIM is at a much higher standard now and are capable of producing management reports and statistics needed to drive decision making.

Radiology Management System

In order to meet the objective of having a more enterprise grade imaging system with workflow management and more efficient reporting, a new Radiology Management System was acquired and implemented in the latter part of 2021.

Infrastructure Improvements

With the goal of working towards obtaining a positive ICT audit, an ICT assessment was commissioned and performed by an IT consultancy firm. Based on the assessment report, a Strategic and Operational Plan was developed to be implemented over a four-year period starting in 2021. Focus was placed on first implementing some quick wins to our ICT infrastructure. The first projects, considering the increase of data hacking, were focused on improving data security which included firewall security, antivirus endpoint security and system backups. Wi-Fi and bandwidth optimization were also considered priority projects for increased user satisfaction. Considering the worldwide difficulties of purchasing ICT equipment and storage disks, the much-needed project of implementing new servers and storage platform was postponed to 2022.

Strategy and Business Development

KPI Dashboards

In order to become a quality-driven organization, the development of KPI (Key Performance Indicator) dashboards help organizations with monthly target reviews per department. In 2021, SMMC developed a reporting tool that includes KPI's on, for example, mortality, hospital-acquired infections and cesarian sections. This reporting tool is produced on a quarterly basis to report to the Quality & Safety Committee of the Supervisory Council and the Inspectorate of Health but is also used as management information to improve our level of care and services. SMMC continued their engagement with Performation, which is a data solution provider for the healthcare sector, to further develop KPI dashboards that can be used by the management team for periodic reporting and general performance review. In 2022 this was mainly focused on the dashboards on medical referrals abroad. SMMC also made use of KPI's related to production figures that were developed in cooperation with an external business analyst.

Fit for the Future Program

As SMMC is transitioning as an organization from its current form towards the new hospital, it is acknowledged that the construction of SMGH (the 'House' component) goes hand in hand with transitioning as an organization (the 'Home' component). This component is formally called the 'Fit for the Future program' (FFTF). An important part of the FFTF program deals with assessing the future needs of the SMGH organization and providing staff training where needed as we become a new general hospital. FFTF started in 2019 when a transition plan was developed. In 2021, the Future Function Book was set up, where 26 new functions were identified based on projected innovations. Based on the overview of current positions per department, an inventory was made of positions that are desirable in the context of our ongoing efforts to expand (sub) specialist care and provide quality care close to home. For this, a training budget is developed, which will be partly placed under Trust Fund financing managed by the World Bank with the aim to train our own staff in the direction of these future functions. SMMC continued its 'On the Move' program, which is a free of charge physical training program that was initiated by the Medical Director to give all employees the opportunity to get or stay in physical shape in our journey towards SMGH.

Strategic Partnerships

With the start of the COVID-19 pandemic in 2020, Strategy & Business Development became a key point of contact for COVID-related organizational and logistic matters, which continued in 2021. This entailed close cooperation with internal and external stakeholders (Ministry of VSA, Dutch Ministry of VWS, Dutch Representation, etc.) to organize and obtain supplies and staff to assist SMMC.

Ministry of Public Health, Social Development and Labor (VSA)

In 2021, SMMC welcomed the new Minister of Health, Social Development and Labour and continued regular meetings with the Ministry of VSA prompted by the urgent COVID situation and the developments with regards to DCHA u.a. (see below).

Dutch Ministry of Public Health, Wellbeing and Sports (VWS)

The Dutch Ministry of VWS continued to be of enormous support in acquiring the necessary staff, equipment and supplies to take care of the patients in need of COVID care. By the end of 2021, SMMC had a team of 41 medical and critical nursing staff available from USA-based company AMI Expeditionary Healthcare who assisted SMMC in providing care to its COVID patients in the Auxiliary Care Facility (ACF). The AMI staff was financed by the Dutch Ministry of VWS and their accommodation was arranged and financed by the Ministry of VSA.

World Bank

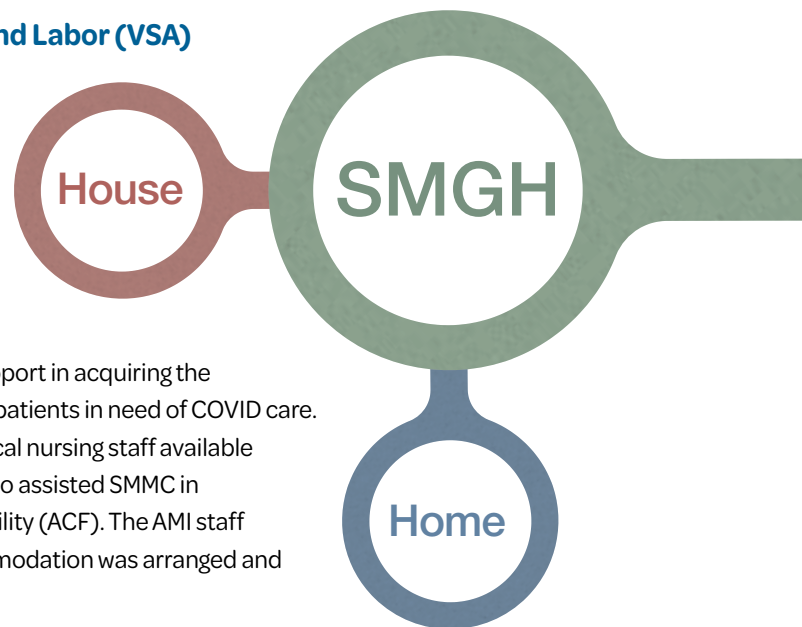
Since their first mission in 2018, the World Bank and SMMC continued structural meetings, reporting and missions in 2021 to monitor the progress of all projects and essential upgrades falling under the St. Maarten Trust Fund, financed by the Netherlands through the World Bank. See further the Project Management Unit (PMU) chapter.

Dutch Caribbean Hospital Alliance (DCHA)

One of the consequences of the pandemic was the impossibility to send patients to hospitals outside the Dutch Caribbean for medical referrals due to border closures. It became clear how vulnerable hospital care was in the countries within the Dutch Kingdom. This prompted the setup of the Dutch Caribbean Hospital Alliance (DCHA u.a.) in the legal structure of a cooperative with the following mission and vision:

Providing the best possible medical care locally and regionally through an anchored collaboration between the countries within the Kingdom and strategic partners, whereby the well-being of our patients, maintaining a financially – economically healthy situation and safeguarding our cultural values are key priorities.

While the legal structure was being worked on, weekly meetings continued between the hospital directors and their support teams to further strengthen medical care within the Kingdom. On June 24, 2022 the DCHA cooperatief u.a. was formally established.



Social & Health Insurances (SZV)

Structural meetings continued with SZV to discuss, among other subjects, the shared objective to decrease the number (and costs) of medical referrals abroad, budget agreements, general health insurance and uninsured patients.

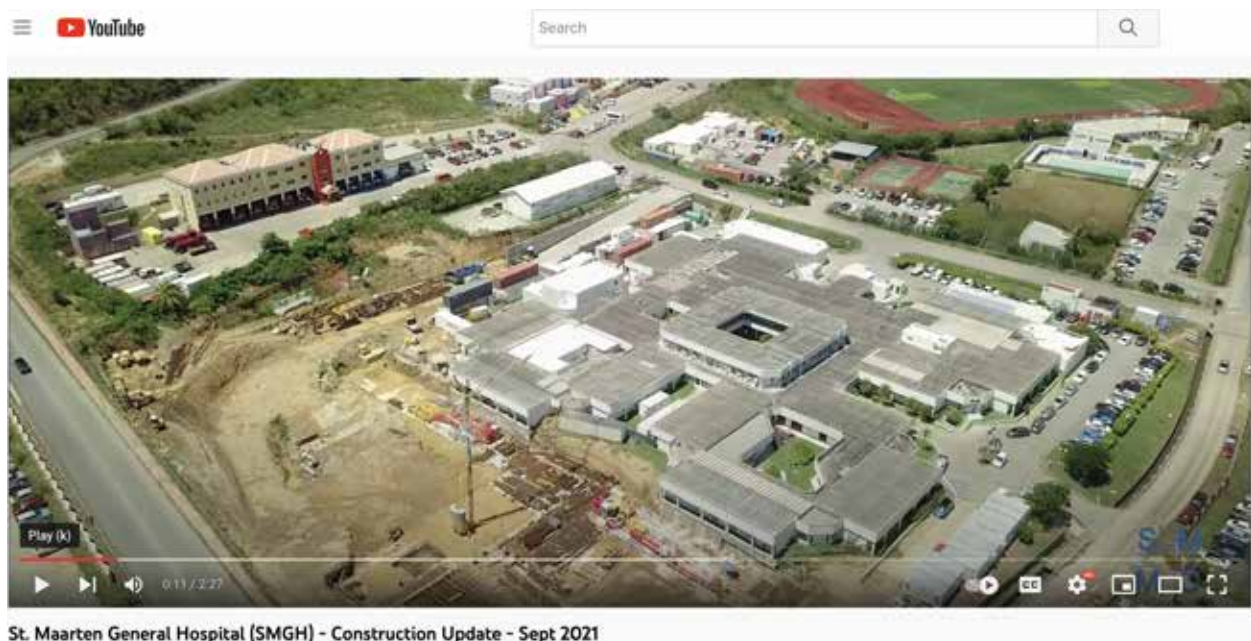
Zorgen Jeugd Caribisch Nederland (ZJCN)

SMMC is the preferred provider of hospital care to the population of Saba and St. Eustatius. As such, structural meetings took place with Saba Cares and St. Eustatius Health Care Foundation (SEHCF) as well as with ZJCN, which manages the health insurance for the BES patients. A renewal of the care contract was concluded for 2021-2023, to which the agreement was added that ZJCN will finance five Dialysis nurses from the Netherlands until 2023 to ensure that the Dialysis patients from Saba and St. Eustatius can depend on SMMC for their treatment. Other focus points in 2021 were the accessibility to hospital care during COVID surges, availability of SMMC's medical specialists on Saba and St. Eustatius and e-health developments.

Communications

In General

During 2021, despite the pandemic and the crisis PR engaged throughout, the Communication Department continued with the pro-active communication strategy for both internal and external target audiences embarked on since 2019. Storytelling through captivating short videos (a total of 8 videos were released in 2021) broadcasted via our web and social media channels also continued with the aim to communicate our ongoing advancements (e.g. the various expansions within SMMC and the SMGH construction project) to a wider demographic but also strengthen our position in the labor market.



SMGH Brand Manual & Wayfinding Principles

The SMGH brand identity development and wayfinding project, which is a collective effort through stakeholder consultation and engagement, was delivered in 2021 in the form of a brand manual which is a guideline on how the various elements of the SMGH brand identity (e.g. the logo, colors, font etc) are to be used.



Patient Journey at SMGH

One of the annual objectives of the Communications Department was to map the patient experience (the so called 'patient journey') in SMGH in coordination with the ICT department and other stakeholders, e.g. what patient appointment system will be used, how will the patient interact with this system, how are they routed throughout the building, how can we integrate it with our SMGH wayfinding principles and so forth. This effort led the committee charged with this to identify 2 applications from Evident, being: 'My Care Corner' and 'Patient Connect' which were presented via demos and subsequent pilots requested to be further tested in 2022.

SharePoint

During 2021, the Communications Department continued with efforts to enhance internal communications through making staff aware of the proper use of SharePoint as one of the main tools for internal communications.

Legal

General

The Legal Department deals with all legal matters of the hospital including the handling of complaints and claims. The Legal Department consists of a legal counsel and legal assistant(s). The legal counsel is the complaint officer of SMMC as well as the Secretary of the Board of Directors.

COVID-19

As SMMC was still confronted with the COVID pandemic in 2021, the legal counsel as part of the Outbreak Management Team (OMT), was involved in crisis management discussions with the Governments of St. Maarten and the Netherlands, the hospitals in the Dutch Caribbean and the World Bank/National Recovery Plan Bureau. As a result of the increased cooperation between the hospitals in the Dutch Caribbean, an initiation to formally establish a Dutch Caribbean Hospitals Alliance (DCHA) was started, for which the Legal Department provided its support.

Corporate Governance

The legal counsel, as Secretary of the Board of Directors, continued to advise on and facilitate the decision-making process of the Board of Directors and ensured the timely compilation of management reports and dissemination to the Board.

SMGH

The SMGH construction project was taken over by a new contractor (FINSO) and as per October 2021, the transfer agreement from INSO to FINSO is effective. The legal counsel has been and will be supporting discussions between SMMC, the consortium of Lenders and FINSO pertaining to the construction project. For the execution phase, the legal counsel advises on legal matters such as compliance to the grant agreement and reviewing contracts to be signed for the different projects. The new hospital project and signed agreements will be monitored on legal aspects.

Grievance Mechanism SMGH

In 2018, the SMMC signed a grant agreement with the World Bank (WB) to receive a USD 25 million grant from the St. Maarten Recovery, Reconstruction and Resilience Trust Fund that is funded by the Netherlands and managed by the World Bank. Under this agreement, it was mandatory to establish a (separate) complaint handling policy (also called Grievance Mechanism) related to (construction) work done via WB funding. The legal counsel/complaint officer is chairperson of the SMGH Complaint Committee for the duration of the World Bank projects. In 2021, one complaint about the construction was submitted to the complaint committee and has been answered in writing.

Complaints and Claims

Complaints and claims from patients, visitors and/or health representatives are handled by the legal counsel/complaint officer.

Claims

In 2021, the legal counsel has continued to coordinate medical liability cases with SMMC's medical professional liability insurance company MediRisk. Two new cases were referred to MediRisk: in one case liability was denied and the case was closed. The other case is still under review.

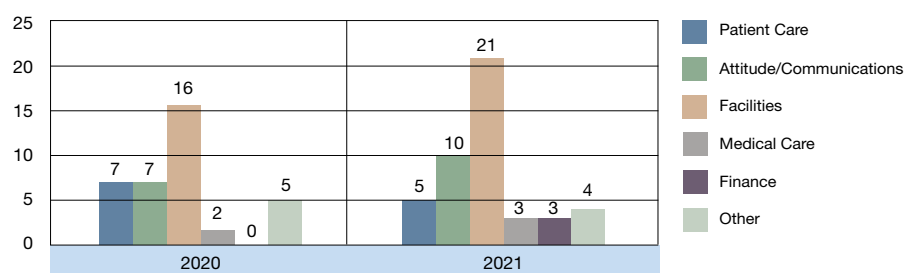
Complaints

A total of 46 new complaints were submitted to the complaint officer (an increase of 9 complaints or 24.3% compared to 2020). The departments that received the most complaints were Radiology (8), General Surgery (7) and the ER (6). The complaints have been answered in writing or have been discussed in a personal meeting with the complainant.

The complaints concerned the following topics:

- 21 Attitude/Communication
- 10 Medical Care
- 5 Patient Care
- 3 Finance
- 3 Facilities
- 4 Other

Complaints 2020 - 2021



(Possible) Calamities

The Legal Department also reports (possible) calamities to the Inspectorate of Health. In 2021, three calamities were reported: 2 regarding Emergency Surgery/Treatment and 1 regarding OB/GN.

A Place To Learn

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

In 2021, there were no overseas students interning at SMMC due to the pandemic. The hospital did cater to 4 LPN students from the National Institute for Professional Advancement (NIPA).

In 2021, nurses from various wards successfully completed several (re)certification courses (e.g. Basic MRI, Calculus, Blood Transfusion, Critical Care). Additionally, training sessions commenced for SBAR reporting and on caring for COVID patients including emotional well-being sessions being held for staff. An in-house Oncology specialization course was completed and two OR technicians travelled to the Netherlands for the Orthopedic specialization training.

Due to the severe shortage of specialized nurses for the acute care units since the start of the COVID pandemic and the rapid increase in patients with the disease, a new Basic Acute Care (BAC) course was started with funding from the Dutch Ministry of Health, Welfare and Sport, and has been taken by over 100 nurses from Aruba, Curaçao, Bonaire, St. Maarten and St. Eustatius. The training was provided by Amsterdam UMC's training institute, VUmc Academy, in cooperation with the hospitals on the islands, which together form the Dutch Caribbean Hospital Alliance (DCHA U.A. i.o). The Basic Acute Care (BAC) course is part of the training program of the Caribbean Health Academy (CARIBHA). The training program will enable the islands to respond more flexibly, and thereby effectively, to acute care situations, for example during a pandemic.

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





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