Establishing Private Wings in Public Health Facilities

Operational Manual

Of Addis Ababa Health Bureau

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Table of Contents

Acronyms

CEO	Chief Executive Officer
FMoH	Federal Ministry of Health
HC	Health Center
PDSA	Plan, Do, Study, Act
RHB	Regional Health Bureau
SWOT	Strengths, Weaknesses, Opportunities, Threats
TAG	Technical Advisory Group
USAID	United Stated Agency for International Development
WorHO	Woreda Health Office
ZoHD	Zonal Health Department

1. Introduction

In August 1998, The Council of Ministers of the Government of the Federal Democratic Republic of Ethiopia approved the Ministry of Health's proposed Health Care Financing Strategy. The strategy sought to institute a number of policy changes aimed at increasing the resources available for the health sector, improving the efficiency of resource use, and promoting quality and sustainability.

The principal components of the Health Care Financing Reform include development of the legal and regulatory provisions related to:

- Local retention and use of facility user fee revenue
- Fee waiver and exemption systems
- Establishing and operation of hospital management boards and related steps toward hospital autonomy
- Outsourcing of non-clinical health services
- Management and operation of private wings in public hospitals

This operational manual for establishing private wings in public health facilities is a technical guide for implementing of the principal components of the reform initiative. This manual is meant to be a "living" document that is periodically reviewed and updated.

This manual is a customized *document* in line with the ratified Health Service Delivery, Administration and Management legal framework of the Addis Ababa City Administration.

2. Rationale for Private Wings

Ethiopian public hospitals are unable to meet increasing financial demands solely using the budgeted funds allocated by the government. This has resulted in a deterioration of the quality of services provided in the public hospitals, decreased motivation and morale of staff, and increased movement of health workers from public to private hospitals in Ethiopia and abroad. This brain drain has been exacerbated under the free market economy that Ethiopia currently follows that promotes the attractiveness of private sector.

According to the Head of the Medical Directorate of the Federal Ministry of Health, the development of private wings is a priority for the public health system in Ethiopia. One of the objectives stated for private wings is to improve the retention of health professionals – slowing the so-called "brain drain".
In developing countries like Ethiopia, the availability of hospital beds varies widely, but in general the shift to outpatient models of care is not as marked as in the developed world. Countries that are experiencing an increasing share of non-communicable diseases as they advance in the epidemiological transition have had to expand inpatient care

The emergence of threats such as HIV/AIDS exacerbates the pressures on the national health system at a time when public resources in Ethiopia are increasingly stretched. Given the multiple demands on limited public funds, it appears that reliance on the public sector alone to address health challenges may not be a viable or sustainable option in the long term.
The Medical Directorate of the Federal Ministry of Health of Ethiopia supports the Regional Health Bureaus in the meeting the standards for health care delivery.

The health policy of Ethiopia encourages hospitals to look for new sources of revenue to supplement the grants they receive from government in order to expand, organize, support and strengthen the services they provide. Furthermore, the policy encourages upper income people to pay for healthcare services and thus, help to support those who do not have the financial capacity to gain equitable access.

3. Definitions of Terms

The following words and terms, as used in the operational manual, have the meanings as indicated below.

- **General ward** shall mean the usual service that the hospital is currently providing.

- **Governing Board** shall mean a governing entity established to oversee the operation of a particular hospital or Health center.

- **Health Care Financing Strategy** refers to the strategic document of the Ministry of Health endorsed by the Council of Ministers of the Federal Democratic Republic of Ethiopia in August 1998.

- **Private Wing** refers to an official arrangement according to which medical services are provided, on a fee-for-service basis, to inpatients and/or outpatients in public hospitals and health Centers.

- **Quality Assurance** Quality assurance is the process of verifying or determining whether the services of the private wing met or exceed customer expectations. Quality assurance is a process-driven approach with specific steps to help define and attain goals.

- **Reimbursement** refers to the act of compensating a facility staff member for Services he/she provided in the private wing unit.

- **Service Delivery Options** refers to the mode of service provision by the private wing; the service delivery mode answers the question as to whether the private wing is an out-patient, inpatient or both inpatient and outpatient unit.

- **SWOT Analysis** is a strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in the establishment of private wings in public health facilities.

- **Technical Advisory Group** shall mean a team of experts formed from different sections of the facility to implement a private wing initiative.

4. Objectives and Benefits of Private Wings

A private wing initiative offers the opportunity to provide additional benefits for patients, staff and the health Facility. Therefore the objectives of establishing private wings in public health facilities are to:

- Increase motivation and reduce attrition rates among health workers.
- Improve the quality of health services.
- Mobilize additional resources and subsidize the general ward.
- Provide alternative care access for clients.
- Contribute hospitals to be self-sustaining in the long-run and carry out basic health service and disease prevention policies of the government.

Private wings benefit patients, staff and the facilities as outlined in the table below:

	Benefits
Patients	▪ More amenities and more attention to customer service ▪ A cleaner, more comfortable and secure environment ▪ More convenient appointment times ▪ Personal choice of doctor
Facility staff	▪ A better work environment; fewer patients, more amenities ▪ Caring for people with an increased level of patient satisfaction ▪ For eligible employees, a potential to increase earnings
Health facility	▪ Help retain qualified facility staff by offering increased earnings and better patient/provider ratios ▪ Increase revenue for institutional improvement – upgraded equipment, computer systems, new clinical services, additional investment in staff training, etc. ▪ Establish and role model a higher standard of non-clinical services throughout the facility ▪ Improve quality health services, thereby improving patient satisfaction. ▪ It reduces the waiting time in the general ward for non-Private wing patients. ▪ Improve reputation of the health facility. ▪ Act as an informal regulator of market pricing.

5. The 7 Steps to Introducing and Implementing a Private Wing

There are many critical issues to consider when starting a private wing. The following section outlines 7 steps one can follow to 1) decide whether to introduce a private wing and 2) implement a private wing from inception to monitoring and evaluation.

5.1 Step 1: Form a Technical Advisory Group (TAG)

Forming the TAG

The first step towards implementing a private wing initiative is by forming a Technical Advisory Group (TAG). The TAG is a team of experts formed from different sections of the facility to implement the private wing initiative. The appointment of Technical Advisory Group is the first step towards implementing a private wing initiative. This working group carries out the business, facility and operational planning for the private wing.

Technical Advisory Group members bring to the effort a variety of skills and including **financial** services, **medical/clinical** services and facility **management.**

The health facility head should name a **chairperson** and select TAG members based on experience and competence with project planning, time available for the project, and credibility among stakeholders.

The health facility head also consults with the Technical Advisory Group on how the initiatives of developing a private wing may be coordinated in the general ward in order to achieve the objectives set in.

Role and Responsibilities of the TAG

- Conducts the SWOT analysis (see Step 2) and makes a realistic assessment as to whether or not the Private wing has the potential for success.

- Develops the business plan (see Step 3), facility plan (see Step 4) and operational plan (See Step 5 and Annex 1) for the private wing.

- Defines the constituents of the private wing program for the health facility planning.

- Assists health facilities in selecting appropriate private wing option or approach and clinical focus.

- Develops criteria for the assignment of staff in the private wing.

- Provides recommendation on the revenue sharing criteria for doctors and other health staff members participating in the private wing.

- Develops detailed working procedures of the private wing.

- Develops a comprehensive list of factors and assumptions identified during the market analysis, personnel planning, operations planning and financial planning that pose significant risk for meeting the goals.

- Identifies the types of service supports that departments are capable of providing at a higher level of quality and service to the Private wing.

- Proposes expedient patient registration mechanisms that enhance customer service.

- Develops service expectations and protocols in collaboration with facility administration and departments.

5.2 Step 2: Conduct a SWOT Analysis and Go-No-Go Decision No.1

5.2.1 SWOT Analysis

After defining "Private Wing", project goals, and the clinical program, the Planning Group does its first feasibility assessment by completing a SWOT Analysis. A SWOT Analysis is a strategic planning method used to evaluate the **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats involved in a project. It involves identifying the internal and external factors that are favorable and unfavorable for achieving success.

The Technical Advisory Group analyzes the SWOT Analysis and makes a realistic assessment as to whether or not the project has the potential for success.

When conducting a SWOT, it is useful to use the following table to organize each aspect:

SWOT Analysis Template

	Positive/Helpful in achieving the goal	**Negative/Harmful** in achieving the goal
INTERNAL Origin facts/ factors of the organization	**Strengths** Things that are good now, maintain them, build on them and use as leverage	**Weaknesses** Things that are bad now, remedy, change or stop them.
EXTERNAL Origin facts/ factors of the environment in which the organization operates	**Opportunities** Things that are good for the future, prioritize them, capture them, build on them and optimize	**Threats** Things that are bad for the future, put in plans to manage them or counter them

Internal Capabilities – Strengths and Weaknesses

The SWOT Analysis starts by looking within the hospital at the factors that will enhance the chance for success and those that present a significant challenge to the successful implementation of a private wing:

- Organizational culture
- Hospital image in the community
- Organizational Structure, leadership and management capacity
- Key Staff available to work on the project
- Financial Resources
- Business experience
- Operational Efficiency
- Facility

Examples of questions to ask:

- Does the hospital have administrators with the skills necessary to manage a private wing?
- Does the hospital have an adequate number of existing in-patient beds to be able to designate an existing unit as a private wing?
- Does the hospital have the equipment needed to support a private wing?
- If construction of new beds is required, do we have a source of funds?
- Do the hospital "hotel services" have the capacity to deliver a differentiated product to the private wing?

External Environment – Opportunities and Threats

Next, the SWOT Analysis looks at the factors outside the hospital that will help or hurt the chance of success:

- Customers
- Competitors
- Market Trends
- Suppliers

- Political and Regulatory Environment

Example of questions to ask:

- Is there enough demand in the community to support a private wing?
- Will there be opposition to the project? If so, from who?
- Will the hospital have significant autonomy to develop the private wing in a way that best serves the interest of that hospital?

5.2.2 Go-No-Go Decision No. 1

From the SWOT Analysis will flow the *First "Go-No Go" Decision:*
Is it possible to establish a Private Wing in the hospital that meets the defined goals?

5.3 Step 3: Develop a Business Plan

A business plan is a logical, detailed presentation of information about your project that demonstrates why it will succeed. Business plans represent a point in time. Implementation requires flexibility and adjustments as you confront market realities.

Why do a Business Plan?

- Helps an organization acquire the resources (physical, financial and human) that the project needs.
- Helps to convince decision makers of the importance and probability of success of the project.
- Forces management to systematically analyze the start-up and continuous operational details of the project.
- Serves as a tool for evaluating the project's success against stated operational goals.

Business plans do not have one set format or style, but should include the following elements:

- Executive Summary 1) defines your project in no more than 1 or 2 sentences, 2) summarizes key conclusions from each section of the plan, 3) summarizes major risks and 4) defines strategies for mitigating risk and achieving success
- Market Analysis includes a description of the specific target market[1], its willingness to pay, and an analysis of competitors (current or anticipated in the future). Identifying your target market and knowing your competitors is critical to the success of your business. Other elements of a market analysis includes: 1) demonstrating that sufficient market size and demand exists for the service 2) describing trends and growth potential and 3) describe the current and potential private insurance market in your area.

[1] A *target market is a customer group with the same preference that a certain organization decides to serve.*

- Marketing Plan (see Annex 2 Marketing the Private Wing for more detail) states the strategy for reaching the target market. It includes a description of the service, pricing, promotion, sales strategy, and performance milestones. It should 1) describe the service 2) explain the pricing strategy 3) detail the promotion plan and 4) Identify performance milestones that are definable and measurable

- Management and Personnel Plan identifies key management appointments, staffing configuration and protocols for working with other hospital operating units. It 1) describes the management team 2) Specifies relevant experience and track record 3) describes the ability to obtain key staff and expertise if it does not exist 4) indicates *how* the service will be managed 5) describes the staffing plan and 6) describe inter-relationships with other key hospital departments

- Operations Plan (see Annex 1, Operations Plan for details) includes a description of the physical facility, equipment, supply chain, and other assets required for operating the service. Describes the facility and specify if it is new or renovated space. Lists equipment requirements – medical and non-medical (furniture and fixtures). Describes the supplies required and how they will be procured, inventoried, stored, distributed and charged. Describes the Management Information System to be used

- Financial Plan - describes how much the venture will cost, where the funds will come from, and what type of income it is expected to generate. The Financial Plan includes a Three-Year Pro-Forma Statement that includes a balance sheet, profit and loss statement and cash flow statement. To develop financial statements, projections are made for 1) revenue, fee schedule, prices and expenses 2) operating costs 3) net income[2] and 4) breakeven point[3].

- Risk Analysis - The Technical Advisory Group develops a comprehensive list of factors or assumptions identified during the market analysis, personnel planning, operations planning and financial planning that pose significant risk for meeting the project goals. Some ways to explore a risk analysis are listed in the box to the right.

[2] Net income is the difference between the total costs and the fees collected.
[3] Breakeven point is when total revenue equals total expenses.

Some risks will be manageable and some risks will be out of the control of hospital management. For each major risk that is manageable, a strategy for mitigating the risk is identified. In some instances, there may not be an individual hospital action that can decrease the risk.

Risk Analysis Examples

- Trouble in the local economy has decreased spending on private care
- Establishing prices lower than other private care providers makes our profit margin extremely slim
- Good doctors will continue to migrate to the private sector or to other countries despite the opportunity to increase personal income with private wing patients
- A competitor increases nurse salaries and the public wards lose a large number of nurses.

5.4 Step 4: Develop and Facility Plan Go-No-Go Decision No.2

5.4.1 Facility Plan

The next step is to develop a facility plan. The facility plan has four elements: 1) a functional program, 2) a space plan, 3) a schematic design and 4) design development.

5.4.1.1 *Functional Program*

The Functional Program defines the project in terms of purpose, scope and functions. The importance of this phase of the overall planning cannot be understated. It marks the beginning of the planning and design process.

It is a common mistake to start planning the physical space before program questions are answered. The tendency to plan the layout of the facility before the program is defined should be resisted. It is recommended that these three steps be taken when preparing the functional program:

1. Identify and list the specific services that will be offered in the space. The Technical Advisory Group has begun this with the "Definition of Clinical Program." Here more detail is added.

    - Example: If this is a medical unit, will there be cardiac patients? Will there be telemetry monitoring?

    - Example: Will there be private rooms, semi-private rooms, quad-bedrooms or a mix? Are bathrooms in each patient room required?

2. Consider organization and staffing. The services and organizational relationships are clearly described.

- Example: How is food to be prepared and delivered to the patient? Is food cooked in a main kitchen and brought to the unit? Or, is a special menu prepared on the unit? Are higher quality dishware stocked and washed on the unit? The answers to these questions determine how much space the Food Service department needs on the private wing.

- Example: Will there be special patient supplies that are only used on the private wing? If so what are they? How much storage space will be needed?

3. The last step in developing the functional program is to review the anticipated utilization of services and the resultant service loads. This quantitative data determines the unit size.

5.4.1.2 Space Plan

Using the functional program, the architect develops a space program for the project. Based on standards set by the FMOH and used in hospital construction, the architect determines how many square meters are required to fulfill the functional program.

Based on space, engineering, equipment and any identified unique site restrictions that will make renovation or construction more difficult, the architect develops a preliminary cost estimate of the project.

An escalation factor is determined. Predicated escalation of construction labor and materials costs for the project duration impact the project's financial feasibility

The Technical Advisory Group determines preliminary design/cost trade-offs if the preliminary cost estimate is too high.

5.4.1.3 Schematic Design

The architect develops a schematic plan for the project. The schematic plan focuses on the general layout of the spaces and tries to achieve staff efficiency with logical adjacencies. A limited renovation project usually provides less opportunity for achieving efficiencies through better design.

- Example: Should the nursing station be at the entrance to the unit or located in the middle of the unit?
- Example: Where should supply closets be located to decrease staff walking distance to patient rooms?

- Example: Should an isolation patient room be near the nursing station or at the end of the hall?

5.4.1.4 Design Development

After agreement is reached on the basic schematic design, the architect and design engineers complete Design Development drawings. These are the architectural, electrical, mechanical and plumbing drawings for the project.

The architect develops a refined project cost estimate based on the design development drawings. Design/cost trade-offs are made if necessary

5.4.2 Go-No-Go Decision No 2

After a thorough review, a decision based on a critical assessment of the likelihood of successfully being able to implement the Business Plan is now made by the Hospital CEO and endorsed by the Hospital Management Board.

If the decision is to proceed, the Technical Advisory Group moves into Facility Planning. The Hospital CEO may designate a professional facility manager to oversee the Facility Planning process, construction management, equipment specification and procurement for the private wing.

- *Note: The Facility Planning Process and the development of a Business Plan often proceed concurrently. A significant number in the financial analysis can be the capital expense for the renovation or construction of a private wing. Facility Planning through development of the Space Plan and preliminary cost estimate is advised while working on the Business Plan.*

5.5 Step 5: Develop an Operational Plan (see Annex 1)

Elements of an Operational Plan

A decision to proceed after a thorough review and possible modification of the business plan leads to the development of an operational plan: detailed policies and procedures for operating the private wing. It is important that for each aspect of the operation of the private wing service a determination be made as to how *integrated or segregated* the private service is from the main hospital operation.

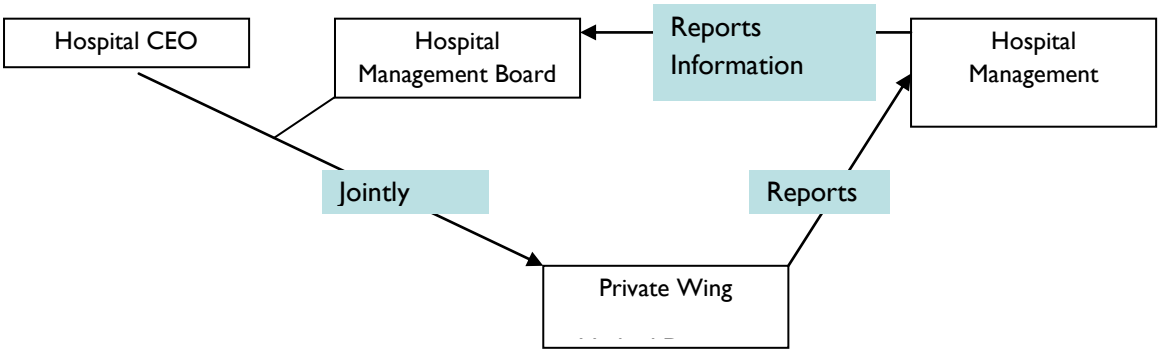
The operational plan has 6 elements:

1. The Private Wing's relationship to Hospital Management
2. Human Resource Management
3. Financial Management
4. Quality Assurance
5. Clinical Ancillary Services Interface Protocols
6. Hospital "Hotel" Services Interface Protocols

5.5.1 The Wing's Relationship to Hospital Management

The Hospital CEO with the endorsement of the Hospital Management Board appoints a Unit Medical Director of the Private Wing. The Unit Medical Director manages the Private Wing and reports to the Hospital Administrator. The Hospital Management Board receives regular reports from the Hospital Administrator on Private Wing operations. See figure below:

Figure X: Relationship to Hospital Management Board



5.5.2 The Private Wing's Human Resources Management

Criteria for selecting hospital staff to be assigned to the private wing are developed. These criteria are based on demonstrated clinical competence, a recognized attitude of customer service, and the proven ability to work with a team.

The Unit Medical Director and the Hospital Nurse Coordinator jointly recruit and appoint a Private Wing Nursing Unit Coordinator. The Nursing Unit Coordinator reports to the responsible nurse coordinator. The Nursing Unit Coordinator selects nurses with experience in the area of identified clinical focus to form a permanent core patient care team that covers staffing assignments on the Private Wing unit on all shifts. Emphasis is placed on nursing continuity of care. This is proven to enhance patient care satisfaction levels.

A permanent core group of top nursing assistants is also selected for placement on the Private Wing. A trained pool of temporary nurses and nursing assistants cover shift vacancies and provide additional manpower in times of higher than normal census.

Roles and Responsibilities for all staff need to be defined (see Annex 3) for examples. In addition staff orientation and training programs are developed and performance evaluation criteria are developed

5.5.3 Financial Management

The hospital Administration and Finance procurement & property supporting process establishes the patient registration, charge capture, patient and insurance billing, revenue collection, banking, accounting

and auditing procedures necessary to provide financial reports that track the financial results of the private wing as a separate program entity.

The use of Private Wing staff and resources are for private wing patients only.

Procurement of specialty items for the private wing may be processed through the central procurement department. The hospital supply chain manager establishes procedures for ordering, receiving, inventory control, distribution and accounting for private wing specialty items.

A process for the regular periodic review of patient fees to assure alignment with marketplace conditions is established.

5.5.4 Quality Assurance Program

A private wing Quality Assurance Program is developed and launched when the private wing opens. This is a multi-faceted program that provides continuous feedback to the private wing management.

Patient Satisfaction Survey – Develop a short survey tool to be given to each patient at discharge & exit that provides feedback on customer satisfaction

Infection Control Monitoring – Track infection control rates of private wing patients

Incident Report Tracking – If the hospital does not already have an Incident Reporting program, develop a process for feedback to management within 24 hours on any unusual incident affecting a patient, staff member or visitor. "Incidents" include medication errors, patient falls, theft, supply stock-outs, equipment malfunction, etc.
Medical Records Review – Systematically and routinely review patient charts to assure adherence to clinical protocols and documentation of care requirements.

Another critical element in any quality assurance program is a cycle of improvement when an issue arises. It is useful to think of problem-solving as continual and this manual recommends the Plan, Do, Study, Act (PDSA) approach as outlined in Annex 4.

5.5.5 Clinical Ancillary Services Interface Protocols

How the Private Wing interfaces with other hospital departments affects the quality of service that is delivered to private wing patients. The Technical Advisory Group works with hospital administration and department managers to develop service expectations and protocols.

Outpatient visits may be scheduled during special hours with fewer patient appointments per hour. Staffing schedules for clinical diagnostic and therapeutic services such as radiology, laboratory, and physiotherapy to support private wing work is coordinated.

The medical records of all patients seen in the hospital, public or private, are the responsibility of the hospital. At a minimum, as a patient in its facility, the hospital assumes responsibility for the condition of the physical plant and the operation of its medical equipment. The hospital needs the ability to monitor the outcome of any patient encounter occurring in the institution.

Hospital electronic Management Information Systems integrate private wing data with all other hospital data. However, the system assigns a special code for a private wing patient that allows a separation of data for program specific tracking.

5.5.6 Hospital "Hotel" Services Interface Protocols

The Technical Advisory Group determines if the hospital support services departments are capable of providing a higher level of quality and service to the private wing.

Food Service – The components of a private wing food service are defined.

- Is there a special menu selection for patients who are on a Regular Diet?
- Do patients on prescribed diets have special menu selections?
- Is food presented and served with different dishes and cutlery?
- Is some or all of the food prepared in a kitchen on the unit, or in the central kitchen?

Linen and Laundry – Will the private wing use premium quality towels, sheets and blankets?

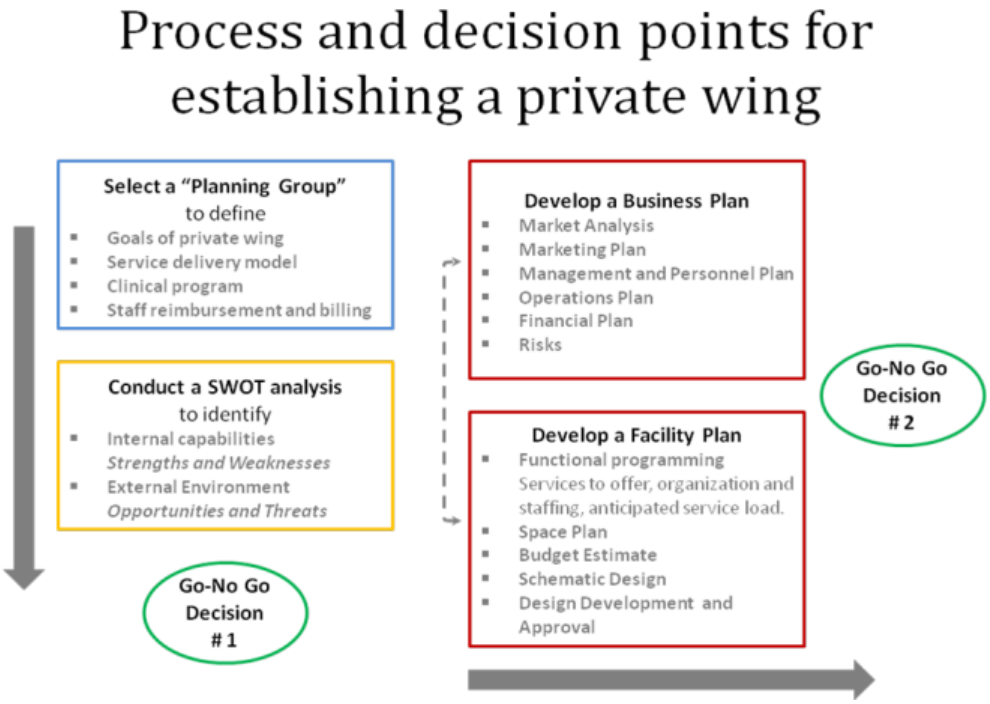
Security – Does the private wing require additional security measures?

Housekeeping – Is additional manpower and shift coverage provided?

Patient Registration - The private wing Technical Advisory Group considers an expedited Patient Registration process located in the private wing space for enhanced customer service.

5.6 Step 6: Implementation

With steps 1-5 accomplished, step 6 outlines the processes for implementation. In summary, a planning group has been defined, a SWOT analysis conducted and business and facility plans in place. There have also been two points for g-no-go decisions. See Figure X below. It reviews the steps taken thus far.



Going through steps 1-5 will allow the hospital to evaluate **key considerations and conditions** to establish a private wing. The following should be agreed upon before implementation:

- The establishment of the private wing shall not negatively affect the services given in the general facilities.
- There shall not be any difference in quality of care between the private wing and the general facilities.
- The establishment of private wings must not compromise the drive to reduce the waiting times in the general facilities.
- The health facility should set up a private wing in those services that the facility has good reputation or has a comparative advantage as compared to other facilities.
- Health facilities should make sure the availability of the necessary heath and supporting staff without negatively affecting the services given in the general facilities.

- Health facilities should make sure that the space of the private wing is sufficient and convenient to clients and should not crowd out the general facilities.

- The establishment of the private wing shall be approved by the facility governing board or by the legally responsible body.

Once these are agreed upon, the implementation step is organized into four areas: 1) set-up, 2) service delivery, 3) operational management and 4) finanical management. Specifics for implementation of each area follows.

5.6.1 Set Up

A private wing shall be set up in the compound of the health facility. The health facility can mobilize funds from the following sources to establish private wings:

- Donor finance
- Credit from the retained health facility revenue without any interest.
- Support from government budget.
- Other sources

If the initial capital of the private wing is obtained from the health facility revenue, then the payback period of the credit will be determined by the health facility governing body.

As long as the private wing does not affect the services given in the general facility, it can use at no cost:

- The facility infrastructure,
- Registration and record formats.
- Request and prescription papers.
- Equipment

The private wing should pay at cost for consumables that it uses.

The following services of the private wing may be integrated with the general facility services.

- Pharmacy
- Human resource management
- Security and housekeeping
- Medical records
- Procurement of specialty items for the private wing
- The Management Information System /MIS/ (However, the system may assign a special code for a private wing clients that allows a separation of data for program specific tracking).

5.6.2 Service Delivery

There is not just one approach or option for a Private Wing service. The Technical Advisory group defines what constitutes the Private Wing program for the health facility Planning. The day-to-day operation of a private wing is done by each individual health facility with the cooperation, oversight and approval of the appropriate city/ Sub city Health Bureau. The decision about choosing the suitable private wing service delivery mode is left to the city / sub city health bureaus and/or the health facility governing board.

The Health facility could consider:

A. The Private Wing is an out-patient service that utilizes existing ambulatory care space, radiology equipment and laboratory equipment during Private wing working hours.

The TAG determines what should be the clinical focus service area of the private wing. The decision to determine the clinical focus for the private wing may be based upon the following:

- The historical admission patterns of the facility.
- Services given currently in private hospitals.
- Community demographics.
- Information gathered from informal "focus groups" of patients, doctors, business and community leaders.

Rights and obligations of clients and the facility should also be outlined. An example follows:

	Clients	**Facility**
Rights	• Get reduced waiting time and get convenient appointments. • Better accommodation services Select better physician of their choice • Get clear and relevant information on his/her medical status/records/conditions. • Provide feedback on the professionals' attitude, ethics and courtesy. • Get payments recipes and medical certificate for services obtained.	- Set appropriate service delivery schedule -Assign appropriate workers.
Obligations	• Obey the rules and regulations of private wing and Health facilities • Refrain from those activities that jeopardize medical ethics. • Pay service charges on time	• Provide advice to all patients coming to the private wing on the existence of a general ward treatment with less cost. • Advice all patients that the medical care in the facility is similar. • Advice all patients on the waiting time required in either the private wing or the general ward. • Post all user fees on a visible place.

5.6.3 Operational Management

Operational management takes on two types of relationships. The macro-level, as depicted in Figure X below, describes how the hosptials' and health centers' management relates to its ministry of health counterpart.

The micro-level, which this manual describes in more detail below, outlines issues around staffing, hours of operation, revenue sharing, incentives and setting fees. It may also be helpful to read more about private wing implementation in Kenya in Annex 5.

Staff Deployment in the Private Wing:

- Health personnel with good knowledge, skill and ethics will be deployed in the private wing on rotation basis.

- The criteria for selecting facility staff to be assigned in the private wing shall be set by the facility management. In general, the selection criteria should be based up on:
  - Good reputation and performance.
  - Proven ability to work with a team.
  - Willingness to work in the private wing.

- Whenever necessary to recruit manpower to a Private wing from among employees of a health facility, as an additional

assignment, the health facility management shall set-down criteria for the recruitment.

- Health workers assigned to work in the private wing shall work in a rotation basis.

- The private wing unit may use such services like security, housekeeping, general services, procurement, transport, store from the general ward so far as the unit does not negatively affect the general ward services.

Working hours:

- The deployment of human resources should always be arranged in such a way that the private wing allocation should not have a qualitative and quantitative impact on the general ward. That is:
    - Health facilities interested to establish a private wing shall have a clear work schedule for health workers for the general ward.
    - Every Health worker can work in the private wing during working hours if and only if she/he is not scheduled in the general ward.
    - The private wing's working hours will extend beyond the normal working hours. Depending on the patient load of the hospital, the working hour may extend throughout the night to ensure 24 hours of service during weekends and holidays. The time shall be determined by the governing board and approved by the health bureau.

Revenue Sharing:

- The revenue sharing system will be as follows:
    A. After paying operational costs 15% of private wing revenue will be for the health facility
    B. The others 15% of the private wing revenue will be distributed for administrative staffs involved in the private wing
    C. The remaining 70% of the private wing revenue should be distributed for health professionals who are participated in the private wing work
- The Technical Advisory Group develops a detail revenue sharing arrangement for facility staff. The detail revenue sharing arrangement can only be applied if it is approved by the health facility board.

- The revenue generated from the activities of Private Wing shall principally be used to improve the quality of health services in both the private and general wards. The revenue obtained from the private wing is used to:
    - cover the operational costs of the private wing;

- expand and renovate the private wing services;
- improve the diagnostic and therapeutic facilities of the health facility;
- improve the quality of service in the general ward; and
- Provide incentives for health and supporting staff working in the private wing.

- Principles of revenue sharing:
  - Revenue shall be used for purposes indicated above.
  - Revenue will be utilized based on prioritizing needs.
  - Utilization of revenue should balance between quality improving investments in the private and general wards.
  - Incentives for health and supporting staff can only be paid from the balance that remained after paying for all operational costs of the private wing and payments forwarded to the general ward.

Incentives for health and support staff

Incentives are paid to:

- *Staff working in the examination, laboratory, Ultrasound, X-ray and surgical procedures:* The payment mechanism here shall base a fixed percentage of the user fees set for services. The percentage may vary up on the type of service provided by the health worker and his/her qualification.

- *Staff not included in fixed scheme payment.* This is night duty payment scheme: The payment of night duty shall base weekends and other public holidays. The amount of payment may vary between public holidays and regular working days and the qualification of the workers.

- *Staff deployed neither in night duty nor in the fixed percentage scheme.* This is top up payment. Usually this kind of payment targets higher administration workers working in the private wing. Examples include private wing coordinators, medical directors, etc.

- *Short term contract workers:* These are health workers who are invited by the health facility to work for a specific period of time.

Fee setting:

The governing board of health facilities has the authority to set its own fees without violating the ratified regional directives /regulations. Fees should be set in compliance with certain principles as defined below. Fee setting shall follow the following principles: -

- **Principle of graduated fee levels.** In general, fees should be set lower for "lower" levels of services or "lower" level facilities (i.e. fees for private patients in zonal hospital is less than in regional hospital and this is less than in national referral hospitals). This will encourage patients not to bypass lower-level facilities and enhance efficiency in consumption.

- **Principles of horizontal imbalance:** The facility governing board should set health facility fees for private wings with full knowledge of the fees set by other nearby health facilities of similar type and range of services. If fees for service are either much higher or lower than neighboring institutions, patients will tend to gravitate to where prices are lowest. This shift in demand could upset the referral chain and create undue financial hardships on some health facilities or patients.

- **Principles of cost recovery**: Health facilities are encouraged to generate fee-for-service revenue through whatever means possible. In general terms, charges for services provided in private wings should exceed total cost; while charges for services in general wards should approximate costs.

- **Principle of differential pricing:** Health facilities shall set different fees for Ethiopians and non Ethiopians. The non Ethiopians should pay at least twice Ethiopians pay for the same service in the private wing. Private wing fees should not consider by pass fees. Fees for in private wing clients should separately indicate payments for various services.

5.6.4 Financial Management

Revenue collection, deposit and disbursement

- The private wing unit shall collect its revenue either using the receipt purchased from the Finance and Economic Development bureau or get published its own revenue collection receipt.

- The revenue of the private wing shall be collected by daily cash collectors and should be kept in a safe box until the revenue finally deposited in the bank next day.

- Revenue collected from the private wing shall be deposited in a separate account opened in the name of the private wing.

- The money deposited in the bank account of the private wing can only be withdrawn by a joint signature of all three or two of the following:

    - Health Facility head.
    - Private wing coordinator.

A person assigned from finance, procurement and administration support process.

Bookkeeping:

- The private wing should keep separate financial statement, bank account, and financial recording and receipt vouchers.
- Any income or payment out of the accounts of the Private Wing shall be received or made using receipts or vouchers of the Private Wing.
- Each and every receipt shall have to be recorded in the books of account in due time.
- The books of account shall be kept in a way that shows revenue and expenditure accurately.
- The book keeping shall be done in accordance with generally accepted standard of book keeping/accounting and shall be ready for audit at all times.

Auditing:

- The account/s of the Private Wing shall be audited at least once a year by the auditor of the health facility and auditors of appropriate Government organ or an independent auditor to be hired for the service.
- The audit of a Private Wing shall be conducted in accordance with Government rules and regulations and shall cover the entire assets of the Private Wing.

Reporting:

- The activity report of a Private wing shall be prepared by the private wing coordinator monthly, quarterly, and annually and submits it to facility head and other concerned bodies.
- The health facility head, together with the facility management, critically reviews and submits the activity reports to the governing body.

5.7 Step 7: Conduct Monitoring and Evaluation (M&E)

Monitoring and evaluation of the implementation of the private wing may be required in every step outlined above. M&E is also a continuous process and should be an integrated part of the private wing's management.

The private wing coordinator, together with the facility head, monitors regularly and systematically the performance of the private wing in relation to the objectives and activity plans set in. The coordinator is also responsible to evaluate the performance at the scheduled time of evaluation. Such evidence will help facility management and board to strengthen quality of care as well as to make corrective measures whenever performances are not to the expected level and/or when they are not generating the intended results.

Consequently, the private wing coordinators should send periodic activity and financial reports to the facility head. The facility head in turn critically considers the report of the private wing and submits it to the governing board.

Supportive supervision is periodically conducted by the health facility and the supervision should be backed by feedbacks.

A private wing quality assurance program shall be developed and launched when the private wing opens. This is a multi-faceted program that provides continuous feedback to the private wing management.

ANNEX 1

Operational Element	***Integrated or Segregated***
Patient Registration	Segregated - if lines and waiting times are long in main hospital registration area. Set-up expedited registration function on the private wing unit
	Integrated - if patient can be processed efficiently with existing hospital registration staff.
Medical Records	Integrated - with main hospital medical record function for institutional data collection and review. Establish separate code or color charts for private wing unit to allow for unit specific studies, monitoring and evaluation.
Pharmacy	Integrated - with main hospital drug procurement, inventory, distribution and auditing systems
Laboratory, Radiology and Operating Theatre	Integrated - with main hospital operations; hospital equipment and technical staff support private wing unit.
	Segregated - work-flow if "Front-of-the-Line" processing is approved for a fee in the absence of any emergency cases that require priority processing.
Linen and Laundry	Integrated - with main hospital laundry for washing and pressing
	Segregated - linen supply (higher quality sheets, towels, pillows, etc.) which are stored on the unit
Food Service	Integrated - food preparation in main hospital kitchen for distinct private wing menu if space allows (more difficult to control inventory loss of specialty items).
	Segregated - food preparation on the private wing unit if a separate kitchen facility exists (often a feature of new construction). Higher quality food and menu selections. Dishware storage and cleaning on unit if separate inventory of higher quality is used.
Housekeeping	Integrated - with main hospital housekeeping operation but higher staffing ratios of staff per bed or staff per square meter calculation
Security	Integrated - with main hospital function with extra staff assigned as needed
Quality Assurance	Integrated - with main hospital Quality Assurance Program but "special studies" for private wing unit. Customized patient satisfaction surveys, unit specific infection control monitoring, and Incident Reporting by unit.
Human Resource Management	Integrated - with hospital Human Resources Department for application processing, credentials verification, salary and benefit administration, all-staff orientation and training.

	Segregated - process for hiring selection by the Private Wing Medical Director and Nursing Unit Coordinator and specialized training
Financial Management	Integrated - with main hospital revenue collection, accounting and auditing functions
	Segregated – separate cost center with separate budget and financial reports. Separate bank account maintained for private wing revenue
Materials Management	Integrated - with main procurement process.
	Segregated - tracking of specialty items expense, inventory and distribution. Storage of specialty items segregated within main Central Stores or stored on private wing unit.

ANNEX 2
MARKETING THE PRIVATE WING

1. Introduction

With all of the steps involved in developing a private wing, management will be forced constantly to deal with short-term issues that must be resolved by the next deadline. As a result, priority will probably go to construction, equipment and furnishing issues, and other decisions that have visible impact on physical progress and spending. Focusing on costs, both during construction and once operations begin, is clearly critical. Yet it is equally imperative to pay attention to how the private wing will generate revenues. Ultimately, the unit can be financially viable only if it provides services to a steady stream of paying patients.

The newly completed private wing will get some publicity when it starts up operation, but continuing to build a good reputation and attract patients requires a well-structured marketing plan. The private wing may indeed offer a variety of attractive and unique patient services, but simply making these services available will not guarantee that the unit can operate at sufficient capacity to produce reasonable profits or even break even financially in the short term.

The term “marketing” is often used interchangeably with “advertising”. However, marketing refers to a broad range of activities, including public relations, that are undertaken to influence the target audience to have a positive view of the services and facilities being marketed and, ultimately, to choose to use them.

2. Developing and Refining the Marketing Strategy for the Private Wing

Marketing is a critical component of the successful operation of any enterprise, including hospital private wings. Even in small markets where competition may be almost negligible, a well thought-out marketing strategy that is implemented effectively and efficiently is necessary if the private wing is to succeed.

Successfully marketing the private wing depends on clearly defining the what, who, when, where, and how of your strategy. These key elements are interrelated.

Although each hospital should develop a careful marketing plan if it develops a private wing, the plan should not be rigid. Elements such as the content, target audience, and time frame for the marketing activities all need to be reviewed and adjusted regularly as the private wing’s planning and construction advance. After the unit opens for business, the marketing plan will still need continuous adjustment in light of operational changes, technological advances, and patient and staff feedback, as well as any new information concerning market demand or competition.

3. What Should the Hospital Market?

The marketing strategy should have two constant goals: to make the private wing known to the public and to attract as many paying patients as possible. Consideration should be given to structuring the content of the marketing strategy in two main components. The first is to communicate what the private wing stands for and what it seeks to achieve, thus establishing a permanent image and a "brand" for the unit. Branding has to be consistent with, and reflective of, the vision, core values, and mission of the hospital. The second component is to focus on one or more of the services offered in the private wing, a strategic decision that will shift over time while maintaining consistency with the first component.

The efforts to establish a brand for the private wing should aim to create confidence among prospective patients that they will receive the best care possible when they come and that the service is best suited to meet their needs. The private wing should be equated with up-to-date facilities, excellent doctors, and an attitude of compassion and caring. The fact that well-qualified doctors practice in the private wing should therefore be one of the critical components of a successful branding effort.

Messages relating to branding have to be consistently and continuously communicated over a relatively long period. The content of the marketing program related to image and branding will not likely change much over time, unless there is a drastic change in the scope of the private wing's operations.

The second component of the marketing strategy should focus on a "strategic" service, or treatment that is important to building up the private wing's reputation and revenues. The strategic focus likely shifts over time. Management may choose to highlight one or two services for a certain period of time and then switch the focus to other services later. For example, the hospital might choose to publicize a unique service that is expected to be low-volume, or, alternatively, to focus on the service expected to be high-volume and a high revenue generator.

4. To Whom Should the Hospital Market the Private Wing?

The next question to consider is who will be the target audience(s). The answer may differ for each of the two components of the marketing strategy discussed above. With respect to the first component, the private wing's image, the message needs to go out to a broad range of people including potential patients, community groups, physicians, hospital staff, and government regulators. For the second component, specific services, the most obvious target audience would be potential patients, but probably specific groups of patients, depending upon the service you choose to market. For example, the publicity might target patients with certain diseases who would need the specific service that is the focus of the marketing.

An effective marketing program also needs to build trust among medical professionals in the private wing's ability to provide quality services.

Compared to marketing activities directed to patients, marketing aimed at physicians will be quite technical. Management and the Medical Director could design a doctors' program and other events for medical professionals at the hospital.

When promoting a specific service offered by the private wing, make every effort to prepare and deliver a message that effectively reaches specific groups of people who are likely to be relevant to patients' decisions on whether or not to use the private wing.

Establishing a patient base will require significant efforts to reach out to the target patients and persuade them not only to use the private wing, but also to spread the good word about the facility to their families, friends, and acquaintances. These efforts need to start well in advance of the private wing's opening day and continue throughout its operation.

5. When Should the Hospital Market the Private Wing?

Development of a marketing strategy should begin early in the overall process of planning for the private wing. As the project gets underway, opportunities may develop to talk with local journalists. It is essential to gain approval and buy-in of the private wing project's concept among these stakeholders.

As the project plans are put into action, the awareness campaign should be expanded to reach the broad public, building up their eagerness to visit the private wing when it opens its doors. In the pre-opening preparation period, marketing should become more specific, focusing on priority services and patient groups. Such activities will intensify during the first 12 months of the private wing's operation. After the facility has been operating for over a year, marketing efforts should become much more dynamic to manage the reputation that is developing in the marketplace based on real patient experiences and feedback, and reinforce the messages the hospital wants to communicate.

Many aspects of the project can change during the planning and construction stages. The marketing plans need to be living documents that can be refined and refocused in accordance with the changing needs of the project.
The question of how to implement the marketing program has three aspects: the delivery mechanisms, tools for development of a comprehensive marketing program, and organization of the marketing activities (or organization for implementation of the marketing program).

6. Delivery Mechanisms for Marketing the Private Wing

Once a message is crafted, the decision must be made on how to deliver it. The answers to the questions discussed above (what, to whom, and when) will influence, and be influenced by, the choice of delivery mechanisms. There is a wide variety available, including promotional events and

programs, advertisements, and public relations outreach. It is important to understand how these mechanisms differ in their scope and cost so that the optimal combination of activities at a given time and within budget can be determined.

Promotional events and programs have the dual goal of stimulating demand for a target product or service and enhancing the image and brand name of the provider of the service. They could include, for example, giveaways or discounts on selected services (such as a one-day free immunization campaign); celebratory events, such as receptions; conferences and workshops; displays of posters urging people to be screened for a certain disease; and distribution of informational brochures and flyers. In addition, published materials such as quarterly newsletters distributed to doctors in the service area can be effective marketing tools.

Advertisements aim to increase the awareness of, and the desire to purchase services. They often address a large audience by means of the media. The more powerful the medium, such as television, the more costly the advertisement will be, because of the medium's ability to quickly reach a large number of potential consumers. Because advertising messages are widely disseminated, it is especially important to ensure that the content is accurate. Cultural sensitivity is another matter that should be considered when designing advertisements.

Public relations efforts seek to deliver the same messages by informing a third party, such as a journalist, about a service or facility being promoted. The aim is to have the message featured in a newspaper or magazine article or a television or radio news report or interview that is presented as general information and does not appear to be intentionally promoting a particular service. The provider of the service usually does not appear as the provider of the information. Unlike advertising, public relations outreach does not involve payment to the media; however, the hospital also has less control over the message that appears, or even whether anything appears at all. For instance, management might send a press release to a newspaper on the opening of the private wing in hopes that a reporter will write an article about the opening as an event of interest to the community. Or members of the medical staff might offer technical expertise to a journalist doing a report on new treatment trends; if the hospital is lucky, it will be mentioned and the staff doctors quoted by name. Being associated with such news coverage is an effective way to increase the community's awareness of the private wing.

7. Marketing Tools

In order to formulate an effective overall marketing program, a few essential tools must be available, including a database, market studies, and satisfaction surveys. Through consultation with the core project team, it can be determined what kind of data will be useful in developing the marketing program. The specific data set that is collected will center on the target population and the marketing activities the hospital are directing toward them. The database has to be designed to accommodate sufficient data

inputs relating to current and potential patient groups, market segments, content and frequency of specific marketing activities, so on. Once developed, the database has to be updated regularly. The data inputs for the database will come from the other two tools, that is, market studies and satisfaction surveys.

The hospital should carry out the first market study or survey before the private wing is constructed. Once the facility opens and begins full operations, market studies should be conducted at regular intervals in order to better understand the needs of the private wing's target population, the effectiveness of the marketing program, and the private wing's image and reputation in the community.

The most reliable first-hand data will come from patient satisfaction surveys. Such surveys should be conducted among hospitalized inpatients, outpatients who visit for consultations only, doctors, and the hospital's own staff. The questions asked should be ones that help identify specific actions needed for improvement of the private wing's services. Patients may be reluctant to fill out questionnaires for several reasons, including fear of potential repercussions if they give negative answers or simply lack of experience in responding to surveys. Therefore, it is important to think about how to maximize the number of surveys completed as well as how to ensure that their content is useful.

8. Organizational Aspects

While there are many marketing possibilities, it is easy to make mistakes in formulating and implementing a marketing strategy. For example, the target audience groups may not be selected properly, posters may be posted in the wrong places, radio messages broadcast at the wrong time, and so forth. Such blunders mean lost opportunities for the activity to generate the intended results and loss of limited budget resources.

Building up and maintaining a good image and reputation for the private wing will be critical to ensuring its long-term success. The first step toward that goal is recognizing that in addition to patients, there are many other stakeholders whose perceptions and opinions can influence the unit's reputation. The other dimension is the quality of services provided by the facility and the level of fees charged.
In addition to patients and their families, many different groups have a stake in seeing that the private wing is operated well and meets their expectations. They include hospital staff, government authorities, and members of the governance structure, consumer groups, and members of the community where the hospital will be located. It is critical to understand what is most important to each of these groups in terms of shaping their perception of the private wing and what specific actions or events (which may or may not be within the hospital's control) could have a positive or negative impact on these perceptions.

For patients and their families, knowing that they can receive high-quality service safely at reasonable prices will be the most important aspect. In this regard, patients want to know that the private wing has the best physicians and well-trained, caring, and friendly staff. Patients tend to be particularly demanding of value for their money when they are paying for the services with their own funds. The hospital's medical personnel and other staff may attach the most importance to the availability of dependable medical equipment, clearly stated operating rules that are enforced consistently, a pleasant working environment, and ample training and other benefits. The government will have a good impression if the private wing always passes its various inspections, has no medical accidents, and observes all relevant laws and regulations.

Often perceptions are built on chance encounters, occasional observations, or word of mouth. These are just as important as repeated first-hand direct encounters. In the case of a private wing, one medical accident can damage overnight the image that the facility has carefully developed over months or years. The best way to avoid such an incident is to have clearly stated, well-thought-out operating policies and guidelines that are fully communicated to, and followed by, staff at every level, and by following all safety and accident prevention steps strictly to the letter.

9. A Patient-Centered Culture

Of all the stakeholder groups, patients are the ones it is most crucial to please. Quality of care and medical outcomes are the most important influences on patient perceptions and on the reputation of a health care facility in general. But beyond these pivotal measures, establishing a client-centered or patient-centered institutional culture is also very useful in ensuring that the people who come to the private wing leave with a positive impression.

Three aspects of a patient-centered culture are a patient service charter, patient-centered procedures, and patient-sensitive medical and administrative staff. Formulating a patient service charter, which usually extends the hospital's mission statement and the marketing messages, is a useful way to explicitly inform patients, partners, and staff about the operating standards that the private wing has set for itself. These standards can cover all aspects of the services, even such minor matters as how many times the telephone will be permitted to ring before it is answered or how many days patients must wait between requesting an appointment and seeing a physician in a non-emergency situation. All written documentation concerning clinical procedures, medical outcomes, standards for quality care, and the quality control system should be prepared with a patient-centered perspective so that a patient-centered approach can be put in practice when such standards and procedures are followed in daily operation. Furthermore, sensitivity to patients has to be built into the private wing's culture and operating policies. This will require regular training programs for medical and non-medical staff.

Finally, obtaining feedback from patients and their families should be an integral part of the patient management system. Patients in general tend not to complain to their health care providers when they feel dissatisfied. Instead, they vocalize their unhappiness to family members, friends, and colleagues. The challenge is to put in place a system that gives patients and their families an opportunity to voice their dissatisfaction through established channels; this will help the hospital uncover and resolve potential issues before they disrupt the private wing's operations and blemish its reputation.

A well-designed feedback system will help the hospital understand patients' perceptions and which aspects of the private wing experience affect their perceptions most. It can also reveal which of the private wing services are seen to be of acceptable quality and which need improvement. Appropriate corrective actions for the problems identified can then be developed. Providing patients and their families with follow-up responses to the issues they have raised assures them that the hospital values their views and is very important to a meaningful patient management system.

10. Marketing Checklist

- The CEO, in conjunction with senior managers and physicians, should lead the development of an ongoing series of campaigns directed at specific audiences.
- Special programs should be conducted, including design of private wing patient relations program
- Efforts should include face-to-face meetings with physicians, government officials, other providers, community organizations, and other groups and individuals.
- Develop trusting, credible working relationships with print, radio, television, and internet outlets and personnel
- Marketing materials, including brochures and posters, should be prepared and distributed throughout the area to publicize the private wing and its services
- Develop materials and ongoing marketing and relationship enhancement programs aimed at:
    - Regional Health Bureau
    - Hospital employees and staff
    - Community groups
    - General public
    - Physicians
    - Nurses
    - Churches
    - Fraternal groups (examples, Rotary, Lions, etc.)

- Other possible activities may include some paid advertising, health fairs, open-house events, web-site utilization, and other formal initiatives.
- The private wing should be marketed actively throughout the entire planning process up to and following the opening.

- At least three months' worth of active marketing and public relations efforts prior to opening day
- Plan and implement pre-opening special events
- Design and implement Grand Opening celebrations and activities

ANNEX 3

Roles and Responsibilities of Principal Actors in the Private Wing

Private Wing Coordinator
The private wing coordinator may be assigned as a full-timer or part-timer. The mode of assignment depends up on the workload of the private wing. The private wing coordinator, being accountable to the health facility head, has the following roles and responsibilities:

- Develops schedule and assigns staff members to work in the private wing.
- Designs and implements promotion strategies.
- Designs and devises mechanisms that ensure the provision of similar services with the general ward.
- Identifies and requests supplies and materials for the private wing.
- Implements the revenue sharing criteria developed by the facility.
- Proposes the initiation of new services in the private wing.
- Ensures customer satisfaction.
- Controls nepotism.
- Follows up the proper implementation of fees set for the private wing.
- Ensure that health personnel get their remuneration based on the guideline on monthly basis.
- Prepares work plan for the Private wing and follows on its proper implementation.
- Reviews feedbacks from clients on the service provided and the staff and takes corrective measures.
- Follows up on the financial performance of the private wing and make sure that appropriate financial records are made.
- Reviews financial statements prepared by the finance officer and submits it to the management committee.
- Prepares activity reports monthly, quarterly and annually and submits it to the governing board.
- Performs other duties given by the health facility head.

Facility Head:
The Health facility head, accountable to the health facility governing board, has the following duties and responsibilities:

- Selects and assigns the Technical Advisory Group
- Reviews the proposal of the Technical Advisory Group.
- Nominates the private Wing coordinator and provides recommendations to the governing board as to whether the coordinator should be a full-time or part-time worker.
- May establish, as deemed necessary, teams to execute Private wing activities
- Solicits fund for start-up capital and renovation of the private wing.
- Prepares checklist to supervise the private wing performance.

- Evaluates periodic reports of the functions of the private wing and submits it to the facility governing body.
- Performs advocacy activities about the establishment of the private wing.

5.6 Health Facility Governing Board:

The health facility governing board may be accountable to the Federal, Regional/City, zonal/Sub city or to the Woreda health bureaus/offices. This depends up on the ratified regional Health Service Delivery, Administration and Management legal frameworks. In anyway, the governing board has the following roles and responsibilities:

- Oversees the private wing activities.
- Approves the proposal of the health facility to establish a private wing.
- Supports and facilitates advocacy and dissemination activities of the private wing.
- Approves the assignment of the private wing coordinator.
- Decides on the sources of start-up capital and resource for establishing private wing.
- Reviews and follows the contribution and service improvement of the private wing.
- Regularly reviews the health facility reports on the private wing and takes corrective measures to improve the performance of the private wing.
- Oversee that the private wing is functioning as per the guideline set.
- Reviews the quarterly, biannual, and annual reports of the private wing and submits it to the FMoH/RBB.
- Reviews and approves the annual budget of the private wing.
- Oversees the financial performance and surplus utilization by the hospital

ANNEX 4
Cycle of Problem Solving: Plan, Do, Study, Act (PDSA)

Plan

- Diagnose the situation
- Define problem and overall objective
- Conduct a root causes analysis
- Generate alternative interventions; decide how to treat the problem
- Conduct a comparative analysis and pick the best solution
- Create an implementation plan

Do

- Treat the problem – Implement the plan

Study

- Evaluate your success – Did the solution have the desired effect?

Act

- Revise your treatment based on the evaluation
- Update or change your plan for treatment as needed

ANNEX 5
A Kenyan Experience with a Private Wing in a Public Hospital

NOTE: The following is a report of a field visit made to Kenyatta Nation Hospital in Nairobi April 2008. A group of healthcare experts, led by Dr. Lia Tadesse, CEO of St. Paul's Hospital, Addis Ababa, conducted this assessment, which focused on private wings in public hospitals and the outsourcing of non-clinical services. Dr. Lia provided the following material presented as submitted.

A Private Wing Service in a Public Hospital (Kenyatta National Hospital) and a Bird's Eye-view of the Health System: The Kenyan Experience
(Report of the Study Tour - April 2008)

1. Introduction

a. Aim of the Visit

The main objective of the visit was to see how the private wing at Kenyatta National Hospital (a public institution) operates, and at the same time, study how the Kenyan Ministry of Health runs the health care delivery system.

b. Team members of the study tour

- Dr. Hassen Mohamed, Federal Ministry of Health
- Dr. Daniel Zewdneh, Tikur Anbessa Hospital
- Dr. Lia Tadesse, St. Paul Hospital
- Dr. Ataklitie Barki, ALERT Hospital

c. Participants in the discussion and visit held at KNH (Kenyatta National Hospital in Nairobi)

- Dr. Reuben Paul Lubanga, Neurosurgeon, Deputy Director, Clinical Services,
  and CEO's delegate
- Mr. Joseph Mugo, Finance Head
- Mrs. Philomena Maina, Deputy Chief Nurse
- Mrs. Ludimla Inviolata Sitakha, Planning Manager
- Mr. Frederick Amuza Oyombe, Human Resource Manager
- Dr. Simon Monda, Urologist and Chairman of Private Wing
- Mr. W Kamau AG, Chief Public Relations Officer
- Mr. W Frederick, International Health Relations Officer, Kenya MoH
- Miss Waithera, representing the Ministry of Foreign Affairs

2. Background of KNH

Kenyatta National Hospital (KNH) was established in 1901 and was initially called the Native Civil Hospital. In 1952, it was renamed King George the VI Hospital and remained so until 1963, at which time it took its current name in honor of the late Mzee Jomo Kenyatta. In 1972, the existing ten-storey building was erected with four patient care wings on each floor.

Until 1987, KNH was operated by the Ministry of Health, but since then there as been a marked transformation in the way the hospital is managed. The Ministry took a bold initiative in an attempt to curb deteriorating quality of care by making

the hospital parastatal as a state corporation run by a board of directors. The board consists of 10 or 11 members, including representatives from the Ministries of Health and Finance, the University of Nairobi (2), the paramedical colleges (2), and 4 from the general public, including the private sector.

The hospital, with a capacity of 1800 beds and a staff complement of 6,213, is the second largest in Africa. It handles more than 2000 outpatient visits per day. Annually, it serves over 80,000 inpatients and close to 500,000 outpatients. The facility has 50 wards, 20 outpatient clinics, 24 operating rooms (16 specialized), and an accident & emergency department.

Serving under the governance of the Board, a CEO (chief executive officer) is responsible for the operations of the hospital. Reporting to the CEO is the Director for Clinical Services (with 50 hospital departments), Director of Operations, and Director of Finance, Planning, and Development.

The hospital serves three categories of patients: (1) those that can pay the full cost; (2) those that can pay, but are also covered by the national health insurance scheme; and (3) those that cannot pay. For the last category the Ministry of Health handles the billing. There is a cost sharing system in place for the patients, with some exceptions made to the regulations for certain groups, such as tuberculosis patients.

3. Private Wing

a. Historical Development

The Private Wing/Amenity Ward of KNH was initiated in 1991 by the MoH and KNH as a step toward reversing the then-alarming loss of physicians to the private sector and by reversing this trend, stop the deterioration of the quality of health care service delivery that was taking place at KNH.

With this as the driving force for change, the Private Wing started out in a small space. The service was so successful that it grew to occupy two entire upper floors of the hospital. Eventually, with the example at KNH, Private Wings were created in other district and provincial hospitals in Kenya.

At the same time, the growing emergence and development of Health Insurance and especially, the National Health Insurance Fund (NHIF), was a major factor in the success of the Private Wings.

Because the Private Wing at KNH was put into operation only after a thorough need assessment was completed, there was no substantive resistance from the staff or the stakeholders. Although there initially was a bit of negative propaganda, it did not have any noticeably impact. This was due to the good planning and commitment of the government.

The Private Wing offers the full range of services, 24/7. Departments that have inherent resource lacks get help in terms of manpower and equipment. One problem is that the staff of some of these departments has not been compensated. The management of KNH is fully aware of this issue and is working on it.

b. Objectives of the Private Wing

- To offer better quality service for those who can afford to pay for it;
- To retain highly qualified specialists;
- To generate more revenue; and
- To cross-subsidize the general services (social functions) of the hospital.

c. Management Structure

The Private Wing is run by a management committee, under the leadership of a Chairperson, who serves part-time as the manager of the PW, in addition to carrying out his clinical duties as a urologist. The PW also has its own Finance Head, Property and Procurement Manager, and, Chief Nursing Officer. Currently, plans are to hire a full time administrator to oversee the day-to-day operation of the Private Wing.

All of the various Private Wing functional managers are accountable to their respective heads of the general hospital management.

d. Infrastructure

Out-patient: Within the Private Wing is the "Doctors' Plaza" that contains offices that can rented by consulting physicians so that they can see their private patients. Having this arrangement in place has played a pivotal role in the success of the PW. It allows people who want to be seen to go directly to the plaza as outpatients. This has also helped by giving both general and private work for doctors at all times within the hospital itself, a requirement in the Terms of Reference between the hospital and the doctors.

Private patients who go directly to the Accident and Emergency Department (A&E) and request to be seen or to be admitted to the Private Wing will be transferred there. Currently, the A&E Department is being renovated and is about to expand to create a separate Private Wing service. The facility will have a complete, separate theatre, with a recovery room designed for emergency life saving interventions, and a separate laboratory service.

In-patient: The PW initially started with one wing of the 10^{th} floor, and later expanded to the entire floor; and eventually included the 9^{th} floor in addition to a section of the first floor which houses the maternity part of the private wing in view of its proximity to the operation theatre facility.

Currently, the private wing has 225 beds at its disposal with 4 suites each costing 4000KSHper day, 22 private rooms each costing 2300KSH/day, and 15 ordinary rooms with shared toilets and the rest are rooms for six patients each costing 2000KSH/day. The PW has its own pharmacy (opens from 8am-6pm and are currently trying to make it 24hrs), store, and kitchen.

Out of the twelve functional theatre facilities, two are dedicated to the PW. Except for psychiatry where there is no inpatient service (which is outsourced to a private hospital), all inpatient services of KNH are given at the private wing. As for the timing of services given in the private wing, they are given 24hrs and even elective surgeries can be done 24hrs.But separate admission

desk for the private wing is run during the day time. All patients in the private wing have a right to choose their doctor. Any patient who wants to be transferred from the general ward to the private wing can do so after clearing their bills, as the finance system is separate. Otherwise all the charts used for the general ward and the private wing are the same. The physical condition of the PW is made attractive so as to fulfill the desire of the clients.

Laboratory, radiology and other diagnostics: There is no separate lab, radiology or other diagnostics area for the private wing. They use the same facilities of the hospital but are charged differently. But the staff working in these areas don't get any benefit for performing these diagnostics and are currently raising the issue and the management are working on it .The new A&E department for the PW which is starting soon also has it's own laboratory and is expected to give service to private patients.

e. Private Wing Operations

A- Human Resource

Physicians who are willing to work in the PW sign a written contract with the hospital and are expected to rent offices in the doctor's plaza. This contract dictates that physicians should be available in hospital premises for both the general and private wing services with an obligation to teach. It makes sure that quality of service in the general part should not in any way be compromised by their involvement in the PW. Any violation as regards the terms of agreement will result in termination of contract. Physicians working in the PW get paid per their consultations, and procedures. The rest of the staffs are assigned in the PW with the employment of different criteria such as personal choice to work in the PW which is an option; interview and attitude appraisal for nurses. The nursing management in the PW makes an effort to maintain the nursing standard of 6 patients to 1 nurse, sometimes reaching up to ten. There are 120 nurses under the assistant chief nurse in charge of the PW. All staffs with the exception of doctors get paid a fixed 15% rate on top of their full salary. With the exception of salary, all other hospital rules and regulations for the general hospital also apply for the PW service. Rotation of staff is usually every five years.

B- Finance

With regards to finance, except for salary which comes from central budget, the remaining capital and recurrent budget is covered from internal revenue, and the total amounts to 6.1 billon KSH for the whole hospital. A large share of the income is from corporate clients (currently they have 56 corporate clients) which had helped in making the private wing sustainable. Finance for the PW is handled separately. The development of medical insurance has to a degree helped co- subsidize for the care of the poor and needy. Staff health care is incorporated into the private wing as part of the incentive arrangement. Invoices of service for staff health are transferred into an inter-current account for the transfer of fund every month.

They have separate accountants and cashiers in the private wing floors. Regarding records, all accountable documents are separate for the private

wing. The charge in the private wing is cheaper than that of most private hospitals.

C- Property and Procurement

Infrastructure and equipments used for the private wing is the same with that of the general ward. Major items for the PW is purchased through the general tender system of the hospital but if there are specific equipments and materials needed for the private wing only, it would be purchased, as the PW are allowed to purchase anything. The procurement process used for private wing is the same as that of the hospital, but to avoid compromising the service at the PW, the process is made faster and flexible which shows some degree of autonomy. The PW hence has no right to acquire property.

D- Maintenance

The maintenance department of KNH also maintains all equipments of the PW as part of their general duty.

f. Challenges

In the initial phase of starting the private wing, they had several challenges which improved with time. The main challenge was that the PW did not generate the money as expected.

g. Monitoring and Evaluation

A performance contract is signed between all hospital staff and their supervisors, which help monitor activities and set targets. Among the different ways they monitor the private wing service, one is by submitting a report of all activities of services rendered at both the general ward and the private wing, to the CEO every two weeks. For evaluation of the nursing care, they periodically distribute questionnaires to the patients at the private wing and look at patients complaints. Regular meeting, patient's feedback, auditing and customer satisfaction surveys are some of the evaluation methods. Standard operating procedure in conjunction with performance agreement protocol is to be introduced at all levels. ISO system is the future target of KNH. Quality improvement is the PW keeps the standard care. Medical advisory committee handles complaints arising in the PW.

Other Hospitals and Institutions Visited

1. Ministry of Health of Kenya –

   The Ministry at the moment is in the process of reform and is about to split into a public health service and medical service section while within a 6-tier health care delivery system with a sector wide approach programme.

2. Aga Kahn University Hospital

   It is a private hospital with a state-of-the-art facility and a wide range of medical services including outreach programmes and training programmes in areas of nursing, accident emergency, disaster management. It is an institution which offers service to the high profile stratum of the society.
3. Massaba Hospital

It is a mid level hospital located within low and mid level income localities of Nairobi. In close collaboration with the Ministry, the hospital does community based health programmes on top of its main clinical services including humanitarian services. In addition to this, the hospital rents plazas to specialists who conduct their own practices and avail themselves for on-call services when required by the hospital.

4. Kikuyu Eye Hospital
   This is a non-for profit specialized hospital located on the outskirts of Nairobi and offers regular and a special express clinic (private wing) and has a reputable name and hosts a unique eye care facility in Kenya.

5. Medical Practitioners and Dentists Board
   This board among many other similar professional boards used to be a part of the Ministry but gradually got independent structural and functional identity with a separate statutory body and is in charge of controlling and issuing licences of practitioners in Kenya.

Recommendations Extracted from the Visit

The following points may be of relevance for the initiation of private wing service:-

1. There should be a clear legislation in full force before launching the private wing allowing a meaningful autonomy for a corporate board formation. There should be a clear TOR between the board, the FMoH, and FMoFED, etc. Therefore it needs act of parliament and strong commitment from ministry of health.

2. Cost analysis, good planning and stakeholder analysis including well defined goals are crucial before launching the private wing.

3. A private wing management committee should be formed at hospital level which is directly accountable to the CEO and should comprise all internal stakeholders directly involved in the process. This committee should be responsible for formulating guidelines and SOPs for the day-to-day activity.

4. The private wing service should start small and incorporate all available services in a complete and confident manner ensuring reliable allocative efficiency, technical efficiency, and equity to influence market competition which may cast challenges initially.

5. A speedy and sustained provision of reagents, drugs, and consumables must be in place at all times.

6. Equipment function and a rapid deployment of maintenance are indispensable prerequisites for a proper private wing service including easy access to spare-parts and servicing agreements.
7. Diagnostic and interventional facilities should be used commonly by both the general and private wing services synergistically without one compromising the other.

8. Diagnostics and laboratory services can follow TASH’s current practice and develop.

9. Rooms and offices used for the private wing should be renovated on a par to those matching similar facilities elsewhere.

10. Seed money should be made available to address the renewal and renovation steps needed to upgrade both facilities and premise.

11. Outpatient consultation rooms used for the public service should be used for the private wing service outside office hours.

12. A separate receptionist and a cashier should be stationed at the reception desk and booth.

13. There should be a meticulous information supply system to patients on the choice of service offered to them.

14. Contractual agreements between hospital and doctor should be loud and clear as to the protection of the social functions the hospital pledges to uphold. Any violation whatsoever against this within the private wing service should be dealt with in the strictest of terms.

15. The special pharmacy service currently in use can fir the PW scheme.

16. The staff working in the system, with the exception of the physicians, shall be assigned on a-six-12month rotational basis and some merit.

17. Payment should be fair but able to stimulate the professional. Physicians can split percentages but the remaining staff can receive fixed rates and treatment privileges can be incorporated as incentives packages in the deal. Hence profit sharing options should be clearly put.

18. Institutional services contracts should be encouraged as they would help sustain reliable income.

19. Insurance schemes should be explored to consolidate the entire exercise.