



AHMC AND THE HOSPITAL METROPOLITANO DE SANTIAGO



HOSPITAL METROPOLITANO DE SANTIAGO *Santo Domingo, Dominican Republic*

Beds: 400
Patient Visits: 260,000/year
Procedures: 950,000/year
Development Budget: USD \$96,000,000
Operating Budget: USD \$105,000,000
Scope of Services:
 >> Pre-operations and Commissioning
 >> Management and Operations
Service Dates: 2003-2007

American Hospital Management Company was contracted by Dr. Rafael Sanchez Esponol of Santiago, Dominican Republic to commission and operate the Hospital Metropolitano de Santiago (HOMS) and assumed the administration and operations of the hospital in 2003. HOMS with 400 hospital beds and a 300 suite medical office building, 16 operating theaters is the largest hospital in the Dominican Republic and is considered one of the advanced medical centers in Latin America.

AHMC developed and implement the operational plan which included medical equipping planning/installation, general staffing, implementation of policies and procedures and culminated with the hospital's successful commissioning. AHMC oversaw the facilities transition to operations and assumed responsibility of the hospital's administration and management/operations. AHMC successfully completed its four year contractual commitments in 2007.



AHMC was able to save the HOMS project US \$2,413,427 in the first six months it assumed management of the project’s development by redefining the project and negotiating with engineers, architect, contracts and suppliers. Savings Shown in Table Below:

	Original cost	Cost reduction	Comments
Windows, profiles and glasses	US \$3,017,136	US \$2,027,132	The total financial impact is about 2 million dollars reduction after redesign, reselection of materials and several days of negotiation.
Engineers renegotiation of the contract	US \$484,848	US \$254,545	After negotiations and presentation of the new budget for the project.
Fire safety system	US \$640,000	US \$65,000	After negotiations and redesign of the system.
Power Generation	US \$558,000	US \$28,000	After renegotiations.
Power distribution equipment	US \$775.000	US\$ 38,750	After negotiations
Total cost reduction US \$2,413,427			

Construction

AHMC had two objectives; reduce the total cost of the project and open hospital by end of the year. To do so AHMC created committees with leaders involved to improve communications, collaboration and allow team members a better perspective of the project’s overall development. AHMC empowered the architects and engineers to make decisions without delays or conflict. Developed and implemented a new purchasing structure to reduce costs.

Medical Staff

The AHMC team met with doctors who were going to be hired and gave them an overview of the project, administration’s philosophy and resources needed to complete the buildings. Medical staff toured offices and agreed to advanced payment. Before the project was completed over twenty doctors had made payment.



Human Resources

AHMC and PUCMM University entered into an agreement where the university provided organizational consulting and policies for the hospital. This included defining the culture, human resources strategic plan, policies related to human resources, director profiles, and induction process. PUCMM also implemented the induction and training plan, and identified training needs in the hospital.

Strategic Planning

The AHMC team met weekly to create and review the strategic plan. The strategic plan was based on four key aspects.

- ✓ Financial: Revenue growth, cost reduction
- ✓ Market: Quality, Service, Image, Relationships
- ✓ Internal Processes: value chain improvement
- ✓ Growth and knowledge: Training, innovation

Quality Assurance and Processes Design

The AHMC team employed the most innovative methods to design a quality assurance system, and identified core processes to be designed. All processes are designed to take into account both technical and social needs as well as user orientation and economy of handling. The design also provided a framework for continuous improvement and led to reductions in costs.

Finances

AHMC reduced the budget by \$8,100,000 USD through review, negotiations, and the development of a new plan. The savings improved cash flow. Investors also contributed \$1,500,000 USD and participated in the decision making process such as procurement of medical equipment. According to the business plan, HOMS had sufficient cash flow and the working capital demand was reduced as operations increased.