

A man and a woman are looking at a smartphone together. The man is pointing at the screen. The woman is wearing a blue sari and a red necklace. The man is wearing a striped polo shirt and a watch. In the background, there is a pink sticky note with some text and arrows.

possible

# QUARTERLY IMPACT REPORT

## Q4 FY2016

05.01.2016–07.31.2016

SUBSCRIBE

Sachit Pandey, Mobile Systems Engineer,  
trains a CHW on our mobile health technology.



# LETTER FROM THE CEO

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Dear Partners,

This quarter we are releasing a new format for our Quarterly Impact Report (QIR) based on your feedback and the evolution of our internal tools and growth strategy.

We've placed greater emphasis on: providing a consolidated view of impact across geographies, expanding information on how we are building our public-private partnership model with government, adding more depth to advances in our healthcare delivery model, and including standardized, consolidated financial reports. This QIR format is not static, and it will continue to evolve alongside our reach and analytical tools.

## FY16 SUMMARY RESULTS

Q4 represents an opportunity to assess not only the last three months, but also run annual comparisons. The last year carried serious risk for the organization, as we expanded to a new district in a post-earthquake setting defined by large-scale uncertainty. Yet it has been our strongest year to date. We've treated more patients (40,663 in Q4 alone), hired more team members (116 new in FY16), and received more investment from government (\$0.72 MM in FY16) than any year prior. This was enabled by 54% growth in revenue vs. FY15 from partners who supported building the country's healthcare system at a critical juncture in its history. Further details on our impact in FY16 will be published in an Annual Impact Report before October 1st, 2016.

The remainder of this letter focuses on quarterly highlights across three investment areas in which we now categorize our work: 1) Direct Delivery, 2) Public-Private Partnership Marketplace Building, and 3) Shared Services.

## Q4 RESULTS IN DIRECT DELIVERY

These are the investments we make to directly deliver healthcare with our Medical, Community Healthcare, Operations, and People Operations teams.

In Q4, we treated 40,653 patients this quarter—24,891 in Achham District and 15,762 in Dolakha District—bringing our historical total to 387,730 patients treated. The rate of increase of patients treated continued to grow at each of our hospital hubs.

We are well aware this increase reflects volume, but not quality. Yet it is hard to discredit a continued increase of patients voting with their feet. It's generally reflective of the public-private partnership model succeeding in serving patients in a way other healthcare approaches are not.

We have also made important advancements in quality. Our healthcare KPIs have been consolidated from six to four indicators, based on the scientific evidence linking these KPIs to reduced morbidity and mortality.

And most notably, we refined an innovative approach to measuring under-two mortality (U2M) that integrates surveillance with the routine delivery of longitudinal care carried out by a network of Community Health Workers. The results from our most recent census indicate a 12% observed reduction in U2M (from 36.9 per 1000 live births to 32.5) in our catchment area since the last measurement in February 2015.

#### Q4 RESULTS IN PUBLIC-PRIVATE PARTNERSHIPS (PPP) MARKETPLACE BUILDING

These are the investments we make to advance innovations and policies that make it easier to deliver healthcare through a public-private partnership with our Impact and Governance & Partnerships Teams.

In Q4, we were able to move more resources from government than any quarter to date (\$569,268 of revenue: \$479,805 in cash, \$89,463 in in-kind support). This included a first-time hospital grant mechanism to further our work building Bayalpata Hospital as a regional teaching hospital.

#### Q4 RESULTS IN SHARED SERVICES

These are the investments we make to strengthen the organization's financial and strategic standing with our Finance, Partnerships, and Executive teams.

In Q4, we hired the organization's first CFO and finalized an important transition to a cloud-based, enterprise accounting software that has greatly enhanced our financial analytics.

One key historical shortcoming we have now overcome is our ability to accurately record the full extent of in-kind support from government across land and buildings, medicines, supplies and equipment, staff, and trainings

#### FY17 FORECAST

Looking ahead, we expect the organization to deliver on a \$6.9 MM budget in FY17 to accomplish our Organization-Wide Objectives and Key Results, which you can download [here](#).

We hope you find value in this new QIR format and look forward to getting your feedback on our progress in solving for our patients.

Regards,

Mark

# DIRECT DELIVERY

## PATIENTS TREATED:



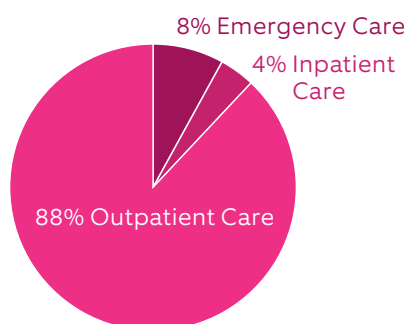
387,730

Total patients treated to date



40,653

Total patients treated in Q4



## HEALTHCARE KPI RESULTS:

100%

Surgery Access

Target: 95%

The full set of resources and people to perform surgeries were available every day.

50%

Chronic Disease Follow-Up

Target: 90%

This means 50% of our total chronic disease patients had a follow-up interaction with a provider.

78%

Institutional Birth<sup>†</sup>

Target: 95%

78% of women gave birth in a healthcare facility with a trained clinician in the past year.

45%

Contraceptive Prevalence<sup>†</sup>

Target: 40%

45% of reproductive-aged women who delivered in the past two years are using contraceptive methods.

KPI DEFINITIONS

HISTORICAL KPI DATA

## HIGHLIGHTS:

- We treated more patients than any other quarter to date—40,653 total patients with 24,891 in Achham District and 15,762 in Dolakha District.
- The expansion of Bayalpata Hospital as a regional teaching hospital continued, with private residential housing and dormitories being completed along with a new store. The new administrative block and inpatient department will be complete in Q1 of FY17 in spite of the monsoon season and funding delays.
- Our team has been notified by the government that enrollment for the country's first national health insurance program will start in Achham District before the end of 2017. This will serve as an important pilot of a new healthcare financing innovation, and our electronic health record will be central to successful execution of this reimbursement mechanism.

## CHALLENGES:

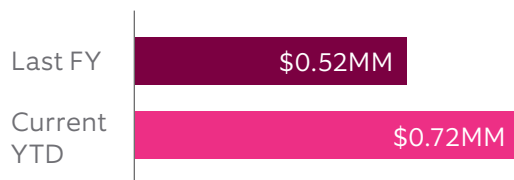
- Patient demand at both hospital hubs is creating pressure to quickly grow our team. Cross-team strategies are being pursued to reduce hiring needs, better distribute patient flow across the week, and maximize quality time with patients.
- Our healthcare KPIs have been consolidated from six to four in an effort to refine our focus to indicators with the strongest evidence base for causes of morbidity and mortality in Nepal. We are still building the data capacity to capture one new indicator—chronic disease control rate. This will be available in FY17, but we have continued to use chronic disease follow-up rate in Q4.
- Land issues continue to prevent some health posts from being rebuilt in Dolakha District. Across Nepal, only 90 of 724 damaged healthcare facilities have been rebuilt.

IMPACT DASHBOARD

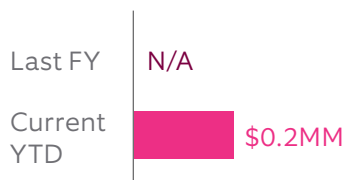
<sup>†</sup>Indicator measured annually.

# PUBLIC PRIVATE PARTNERSHIP MARKETPLACE

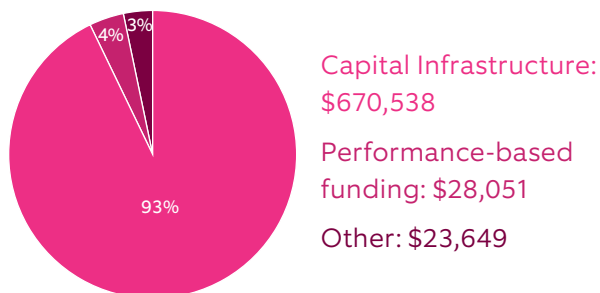
## CASH FROM NEPAL GOVERNMENT:



## IN-KIND FROM NEPAL GOVERNMENT:



## CASH SUPPORT BY TYPE:



## IN-KIND SUPPORT BY TYPE:



## INNOVATION AND POLICY HIGHLIGHT:



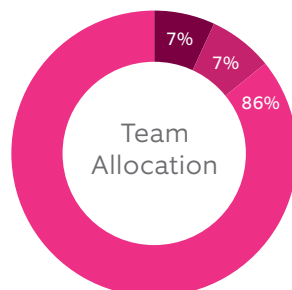
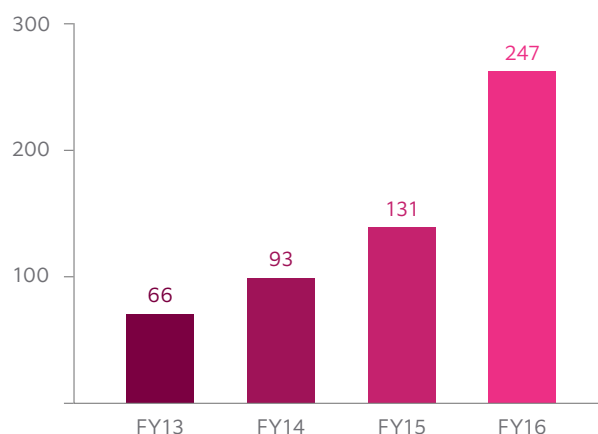
### INNOVATIONS IN CONTINUOUS MORTALITY ASSESSMENT

We merged traditional public health surveillance techniques with electronic health records (EHR) and mobile health technology to develop a facility-to-home EHR that allows Community Health Workers to access patient records on smartphones that also geo-locate households for quality assurance. Through this platform, we can continuously survey the health of the populations we serve, assess and map our impact in real time and contribute to the new field of healthcare delivery science.

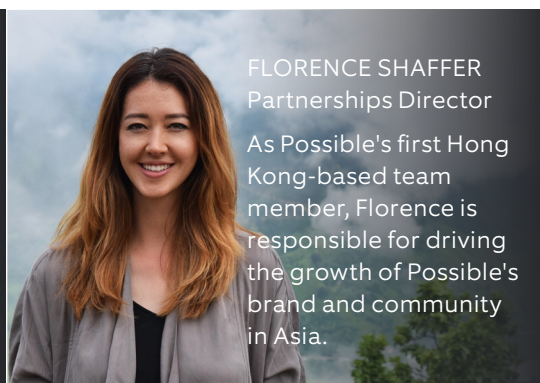
The results of our most recent census demonstrate a 12% decrease over the last year in under-two mortality from 36.9 deaths per 1000 live births to 32.5 in our Achham catchment area. Along with an improved rapport and trust among Community Health Workers in the communities where we work, this data points to an increasingly sensitive surveillance tool. [Read More.](#)

# PEOPLE OPERATIONS

## FULL-TIME TEAM SIZE:



Direct Delivery: 212  
PPP Marketplace: 18  
Shared Services: 17



## HIGHLIGHTS:

- After a 9-month executive recruitment process in which we engaged over 750 candidates and interviewed over 150, we hired our first CFO, Pavan Makhija.
- In June, Dr. Dan Schwarz joined the team as Chief Medical Officer. Dr. Schwarz's experience in healthcare spans settings as diverse as Boston, Zimbabwe, Lesotho, and Nepal. He has an M.D. from Brown University, and an M.P.H. from the Harvard School of Public Health.
- In July, we welcomed two [Global Health Corps](#) fellows our team. Mariah Ridge-O'Brien and Katie Farina will spend the next year supporting our Partnerships team.
- Our partnership with the [HEAL Initiative](#) entered its second year. We welcomed Dr. Stephen Mehanni and sponsored our own Staff Dentist, Dr. Rekha Sherchan, to participate in the HEAL program.

## CHALLENGES:

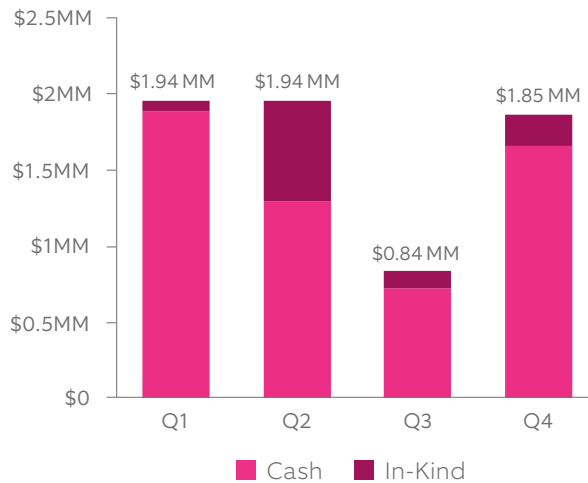
- Our model now includes a novel integrated staffing structure (meaning government-paid staff work within Possible's management model). Developing policies to adequately address needs of government-paid team members remains an iterative challenge and top priority.
- Several government-paid staff in Dolakha who had short-term contracts prior to our expansion agreement were transferred out of Charikot Hospital, leaving short-term challenges within increasing patient demand.
- We merged our Development and Marketing teams into a single Partnerships Team and are seeking a Chief Partnerships Officer with proven fundraising experience and deep healthcare knowledge to lead this team.

ORG CHART

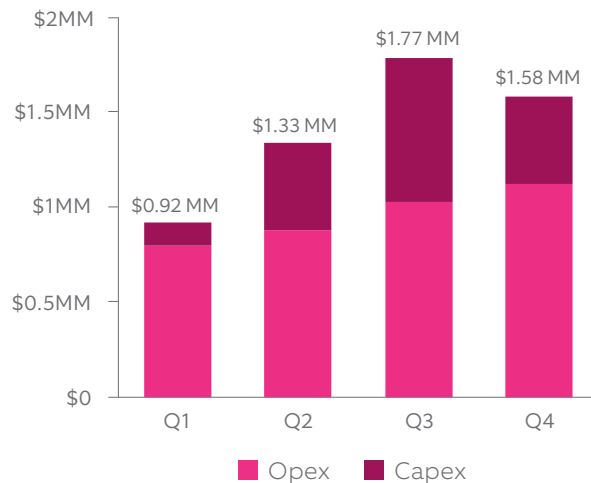
OPEN POSITIONS

# FINANCE

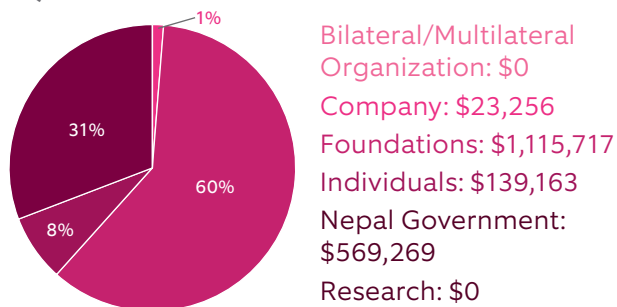
## REVENUE BY QUARTER:



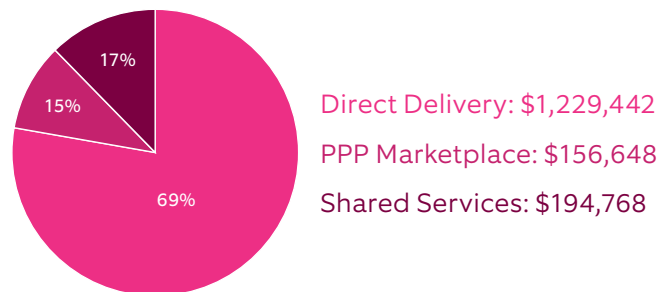
## EXPENSES BY QUARTER:



## Q4 REVENUE BY TYPE:



## Q4 EXPENSES BY INVESTMENT AREA:



## HIGHLIGHTS:

- We delivered continued YoY increase in cash support from the government, totaling \$722,237. This represents a 40% growth in government cash resources vs. FY15.
- The Finance team completed an unaudited close of FY16 financials, including a consolidated balance sheet (below), in less than 15 days after Q4 close. Key additions to the balance sheet include valuing properties of each hospital and inventory.
- The organization added its first CFO, concluding a 9-month executive search.
- Unaudited, consolidated FY16 financials show \$6.3 MM in revenue—up from \$4.1 MM in revenue in FY15, representing 54% YoY growth.

## CHALLENGES:

- Timing of infrastructure grants from government (Q3 & Q4) continues to create uncertainty and cash flow challenges in Q4—resulting in modest construction delays for the Bayalpata Hospital expansion.
- Operating expenditure across the organization in Q3 & Q4 of FY16 is ~100% growth vs same period in FY15—with the key expense driver being the expansion to a 2nd district. Managing cash flow in FY17 is a top priority of an expanded finance team.
- Getting accurate pricing for medicines and supplies within the Nepali marketplace continues to be a challenge and impact valuation of inventory. We respond by erring on the side of conservative valuations when prices fluctuate.

CONSOLIDATED  
BALANCE SHEET

CONSOLIDATED  
CASH FLOW





# CONTINUOUS SURVEILLANCE SURVEY RESULTS

Our continuous surveillance program has allowed us to assess our impact in real time to ensure we make better programmatic decisions.

[READ THE RESULTS](#)



## MENTAL HEALTH PROGRAM

We recognize high quality mental healthcare as a priority in a culture where mental illness is still heavily stigmatized.

[READ OUR  
MEDIUM ARTICLE](#)

[READ THE FEATURE  
IN NEPALI TIMES](#)



## THE ATLANTIC SERIES

A 7.3 magnitude earthquake struck Dolakha in May 2015. Cathay Pacific and The Atlantic told the story of how we are rebuilding the healthcare system.

[READ PART ONE](#)