

QUARTERLY IMPACT REPORT

Q1 FY2017

08.01.2016–10.31.2016

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A mother and her newborn infant in our
maternity ward at Bayalpata Hospital

LETTER FROM THE CEO

Dear Partners,

Our Fiscal Year 2017 started on August 1st, 2016. Our team built a series of ambitious growth goals for this year, including delivering on a \$6.9 MM budget to accomplish our Organization-Wide Objectives and Key Results, which you can download [here](#).

To see what was accomplished in Fiscal Year 2016, see our [2016 Annual Impact Report](#) that was published in October.

Our Q1 always tends to be a relatively slow quarter—driven by two consecutive holidays in Nepal that lead to more time off and a slowing down of all business across the country. That said, it is the quarter in which we projected the largest expenditure for this year, and important progress was made.

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

Q1 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 Q1, we treated 42,805 patients—25,395 in Achham District and 17,410 in Dolakha District—bringing our historical total across 400,000 to 430,887 patients treated. Notably, in spite of the national holidays that are expected to drive down patient demand, this represents the most number of patients ever treated in a single quarter and a signal that a plateau has not been reached in terms of patients seeking care at our facilities.

Important milestones were met elsewhere across the team: two additional clinics were rebuilt in Dolakha District, Community Health Workers deepened their work in a new region of Achham District, two major buildings (inpatient and administration) neared completion as part of the continued construction of Bayalpata Hospital as a regional teaching hospital, and the People Operations team added two new directors with a combined 25 years of HR experience to our Nepal team.

Q1 RESULTS IN PUBLIC-PRIVATE PARTNERSHIPS (PPP) MARKETPLACE BUILDING

These are the investments we make to advance innovations and policies that simplify healthcare delivery through a public-private partnership with our Impact and Governance & Partnerships teams.

Based on the government funding and procurement cycle, we expect minimal cash and in-kind support in Q1. As a result, the minimal outcomes we saw in Q1 are in-line with expectations.

Where progress has been made is in the inauguration of the national health insurance program in Achham District. This is a key area of expanded financial partnership with the Ministry of Health, and if successful, we expect to see modest revenue (< \$50,000 USD) by the end of FY 2017 and substantial long-term revenue coverage of operating expenditures for hospital-based care. The program remains early in a pilot phase, with real risks of failed implementation. Yet it will continue to be a cross-team focus of ours to work closely with the Ministry of Health to make this pilot a success.

Lastly, we are now reporting on two new healthcare KPIs discussed in last quarter's report—of previous metrics but are better suited to align with drivers of morbidity and mortality.

Q1 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 Q1, we completed the building of our Executive Team by hiring a Chief Partnerships Officer on November 1st. Our Finance and Partnerships teams worked closely to keep the cash position of the organization stable during what was projected to be the quarter with highest expenditure across the year. We fell slightly short of keeping the cash position stable—seeing a decline of about a half month of cash from the beginning to the end of the quarter. However, we saw strong budget management with an execution rate of 90%, and projections look positive for the cash position of the organization to improve in Q2 through a combination of reduced expenditure and increased revenue.

Please [contact me](#) directly if you have any questions about this Quarterly Impact Report, and we deeply appreciate your continued partnership.

Regards,

Mark

DIRECT DELIVERY

PATIENTS TREATED:



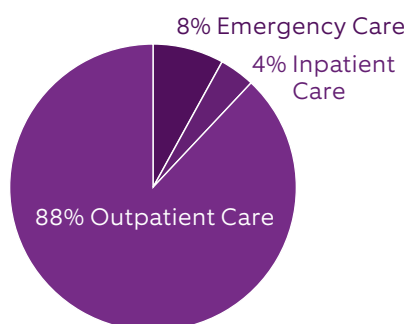
430,887

Total patients treated to date



42,805

Total patients treated in Q1



HEALTHCARE KPI RESULTS:

0%

Surgical Complications

Target: <5%

There were no reported surgical complications this quarter.

14%

Chronic Disease Control

Target: 50%

This means 14% of our total chronic disease patients have their disease under control this quarter.

78%

Institutional Birth[†]

Target: 95%

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

45%

Contraceptive Prevalence[†]

Target: 40%

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

KPI DEFINITIONS

HISTORICAL KPI DATA

HIGHLIGHTS:

- The total number of patients treated (42,805) remained nearly equal to last quarter. 25,395 patients were treated in Achham District. 17,410 patients were treated in Dolakha District.
- The rebuilding of two additional health posts were completed in Dolakha District—bringing the total number of fully rebuilt facilities to 9.
- 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. We are now able to provide first reporting on two of the new KPIs this quarter—Surgical Complications Rate and Chronic Disease Control Rate.

CHALLENGES:

- Land ownership conflicts continue to prevent the reconstruction of 6 health posts from commencing in Dolakha District. 9 of the 15 available to be rebuilt are complete, and 6 remain with work in progress.
- A patient death at one of our hospital hubs and the corresponding community response resulted in reduced services for several days. Efforts are ongoing with multiple stakeholders to complete the investigation of the incident, and the full set of services is again being delivered.
- Growing patient demand at both hospital hubs continues to create strain on our providers and management teams.

IMPACT DASHBOARD

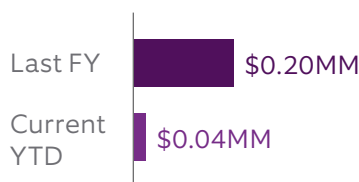
[†]Indicator measured annually.

PUBLIC PRIVATE PARTNERSHIP MARKETPLACE

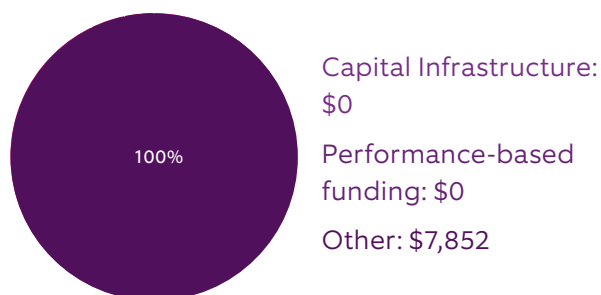
CASH FROM NEPAL GOVERNMENT:



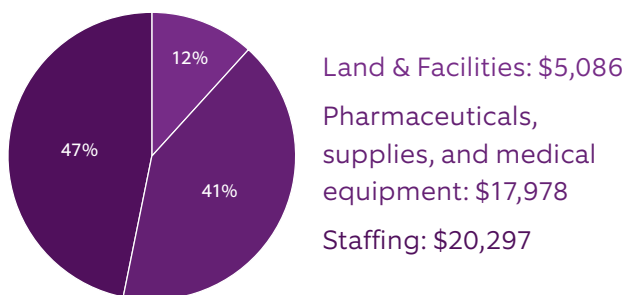
IN-KIND FROM NEPAL GOVERNMENT:



CASH SUPPORT BY TYPE:



IN-KIND SUPPORT BY TYPE:



INNOVATION AND POLICY HIGHLIGHT:



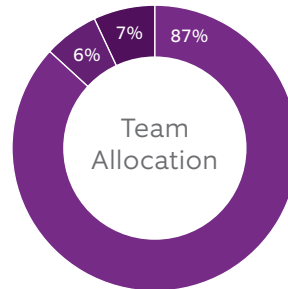
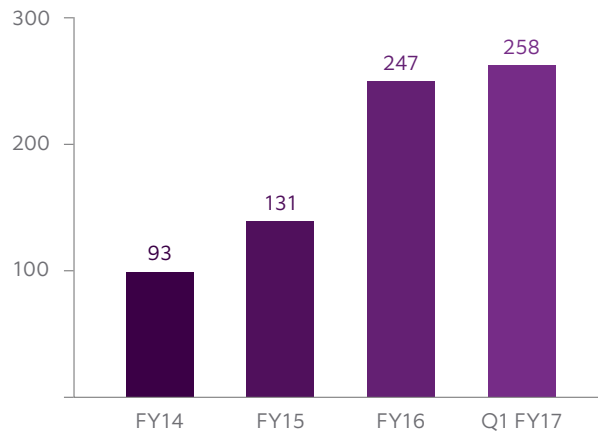
INNOVATIONS IN ACCOUNTABLE FINANCING

This quarter, the national health insurance program was inaugurated in Achham District. The program aims to improve universal healthcare coverage and reduce out of pocket expenditures. National health insurance is an essential first step towards shifting financing of healthcare from outputs (e.g. number of x-rays performed or number of patients treated) to outcomes (e.g. death and disability from various priority conditions). Achham is one of the first five districts in Nepal to start the insurance scheme, and we plan to see the first reimbursements from this new program in 2017.

Possible has been as partner to the Ministry of Health in providing costing data for assisting the government in creating disease-specific costs. At present, over 60% of healthcare financing in Nepal is via out-of-pocket expenditures, leading to problems including limiting access for poor patients, delayed presentation to care, and medication and surgery overuse. Health financing reform will help reduce those expenditures and expand the public financing of non-profit healthcare organizations. In November, Possible's Co-Founder, Dr. Duncan Maru, and Governance and Partnerships Director, SP Kalaunee, will present with government partners at the World Innovation Summit for Health in Doha on Nepal's financing innovations.

PEOPLE OPERATIONS

FULL-TIME TEAM SIZE:

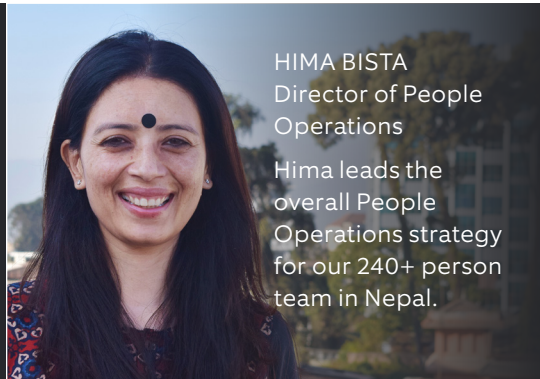


Direct Delivery: 224
PPP Marketplace: 16
Shared Services: 18



ASMITA PATWARDHAN
Chief Partnerships
Officer

Asmita is responsible for the overall partnerships and revenue strategy for the organization.



HIMA BISTA
Director of People
Operations

Hima leads the overall People Operations strategy for our 240+ person team in Nepal.



SRIJANA GURUNG
Director of
Performance & Growth

Srijana leads efforts in Nepal to improve management performance and support team members' professional growth.

HIGHLIGHTS:

- A Chief Partnerships Officer was hired on time, and this hire completed an 18 month process of building our Executive Team.
- The People Operations team added a combined 25 years of human resources experience by hiring a new Director of People Operations and Director of Performance & Growth.

CHALLENGES:

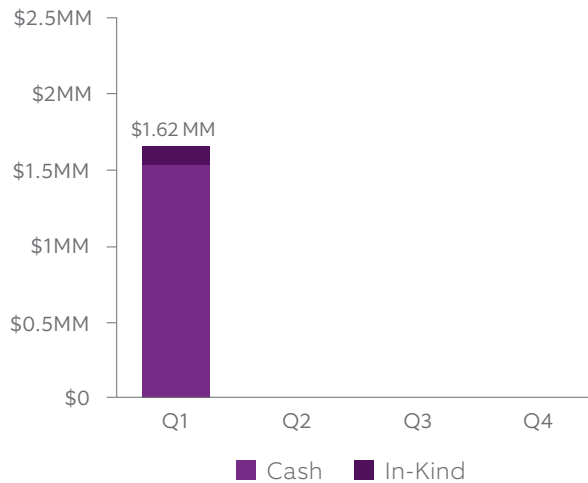
- The integrated staffing model continues to bring short-term uncertainties about which roles will remain funded by government for the long-term. Our team is working closely with the government to establish the optimal mix of staff and the most suitable contract arrangements.
- A few key positions being recruited for in Kathmandu remain unfilled—see those roles [here](#).

ORG CHART

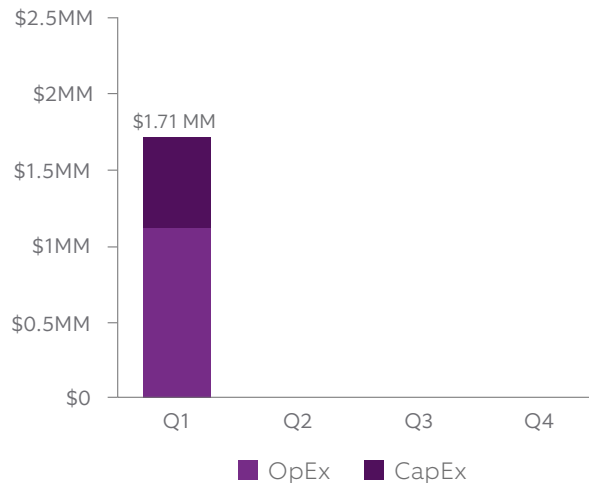
OPEN POSITIONS

FINANCE

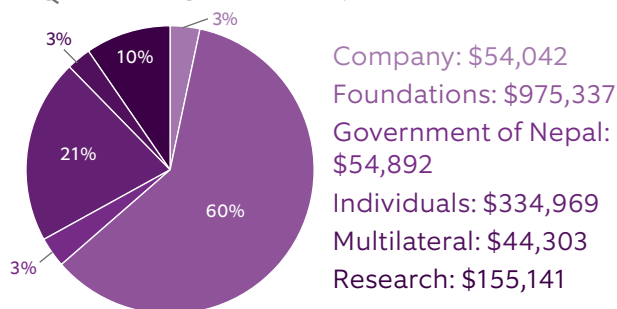
REVENUE BY QUARTER:



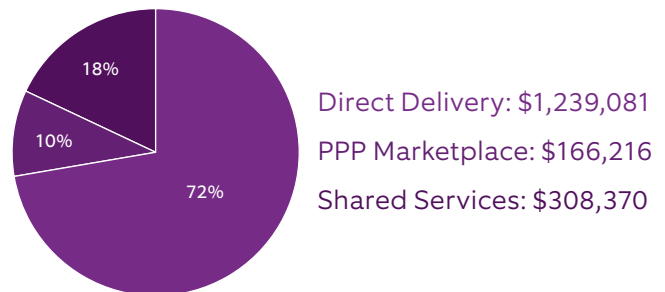
EXPENSES BY QUARTER:



Q1 REVENUE BY TYPE:



Q1 EXPENSES BY INVESTMENT AREA:



HIGHLIGHTS:

- Overall budget execution across the organization in Q1 was 90%. This is considered strong budget execution. Our target for very strong execution is 94%–102%.
- The Nepal NGO completed its FY16 independent audit with minimal comments and a strong overall review from the auditor.
- The organization successfully initiated its first partnership with an Embassy based in Kathmandu—a significant first step toward a goal of driving more funding from a diverse set of in-country sources.

CHALLENGES:

- Q1 represents the highest spend quarter of FY17. Our goal was to keep our cash position even. We saw a slight decrease in cash position with an overall reduction of \$404,723.
- We do not expect to receive cash support from government in Q1 & Q2, so minimal support here is not concerning. However, in-kind figures were slightly below target due to our own mis-estimation on the timelines of government procurement processes.

CONSOLIDATED
BALANCE SHEET

CONSOLIDATED
CASH FLOW

2016 ANNUAL IMPACT REPORT

This year, we made bold commitments. Each commitment was made to ensure more patients could receive high-quality, low-cost healthcare from the hospital to their home.

[SEE OUR IMPACT](#)

HEAL FELLOWSHIP

We partner with the HEAL Initiative to welcome HEAL fellows at our hospital hubs. HEAL fellows are health professionals with a deep commitment to addressing health equity and social justice.

[READ LENA'S FEATURE](#)[READ STEPHEN'S FEATURE](#)

EHR QUALITY IMPROVEMENT DASHBOARD

Our Impact team built an integrated dashboard for our Electronic Health Record. Currently our team is using this dashboard to track real-time data on Quality Improvement projects. Since we can't share the hospital's internal network we decided to share a few screenshots.

[SEE THE DASHBOARD](#)