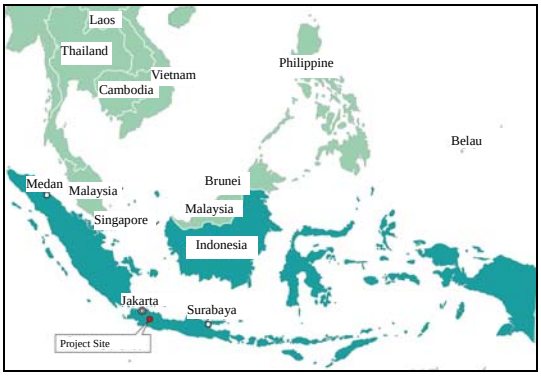
Indonesia

Dr. Hasan Sadikin Hospital Improvement Project

Field Survey: July 2003

1. Project Profile and Japan's ODA Loan



Project site location map

The new emergency unit built by the project

1.1 Background

Implemented since 1994, Indonesia's Sixth Five-Year Plan aimed to improve the health of all the nation's citizens via the equitable provision of healthcare services, and in conjunction, to build an efficient medical system. In order to attain these goals, efforts are being made to upgrade the referral system*[1] so as to provide efficient medical treatment to a broad cross section of people.

The Dr. Hasan Sadikin Hospital is the top referral hospital in West Java's referral system, and as the institution responsible for handling strong demand for emergency medical treatment, improving standards of healthcare in West Java, building an efficient healthcare system and serving as an educational institution for healthcare providers (medical staff), it was hoped that swift action would be taken to expand and improve its dilapidated facilities. To this end, in 1994, a five-stage master plan for improving the hospital's facilities was devised via the Engineering Services (E/S) loan[2]. This project represents the first phase of that master plan.

1.2 Objectives

The project's objectives were to expand and improve the function of the Hasan Sadikin Hospital as a core facility (top referral hospital) in the province of West Java by developing its facilities,

[1] This is a pyramid hospital system with primary healthcare facilities at the bottom, secondary facilities such as regional hospitals and tertiary facilities such as university hospitals underneath (refer to page 3).
[2] This was contingent upon the completion of the feasibility study and covered the surveys / detailed design necessary for project execution.

and thereby contribute to strengthen responses to poverty reduction in the region and regional development through the improvement of regional healthcare services.

1.3 Outputs

(1) Construction of emergency unit / central operating theater: Construction of a 24-hour emergency unit (to handle operations and emergency deliveries), and a central operating theater incorporating small and large operating theaters, an intensive care unit (ICU), and a central sterilization and supply department (CSSD) / sterilizing and disinfecting medical equipment and bed linen, and related facilities to replace the existing emergency care unit and operating theater (separate locations).

(2) Equipment procurement: Procurement of the surgical equipment, X-ray examination equipment, various laboratory equipment (angiographic equipment, endoscopes, etc.), hospital beds, office equipment, etc., necessary for the central operating theater and the emergency unit.

(3) Staff training: Provision of training to emergency department, surgical department, ICU department and central resources department personnel via domestic and off-shore dispatches.

(4) Consulting services: Comprising project management services (PMS: liaison between Ministry of Health, Dr. Hasan Sadikin Hospital and the E/S consultant; staff training-related support, support for procurement procedures, etc.) and engineering services (E/S: support for tender procedures, construction supervision, etc.).

1.4 Borrower / Executing Agency

The Republic of Indonesia / Directorate General of Medical Care (DGMC), Ministry of Health

1.5 Outline of Loan Agreement

Loan Amount Disbursed Amount	4,707 million yen 4,619 million yen
Exchange of Notes Loan Agreement	December 1996 December 1996
Terms and Conditions Interest Rate Repayment Date (Grace Period) Procurement	 2.7% 30 years (10 years) General untied
Final Disbursement Date	December 2001

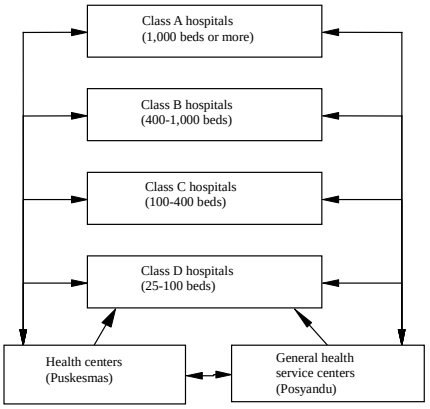
2. Results and Evaluation

2.1 Relevance

2.1.1. Consistency with Needs

Indonesia's public healthcare facilities are made up of primary healthcare facilities (health centers, etc.) and secondary and tertiary healthcare facilities (classified as Class A-D hospitals on the basis of bed numbers and specialistic medical service) and function according to the (referral) system illustrated in Figure 1. There are four Class A hospitals nationwide all of which had been successfully developed via donor assistance at the time of project appraisal. During this period, other key donors were focusing on primary healthcare, and were promoting the development of the health centers and regional hospitals that constitute the lower classes of the referral system. However, there was a need to undertake the integrated development of referral hospitals since people will be unable to feel confident in the ability to benefit from equitable healthcare services if there are no appropriate hospitals functioning at the top of this system.

Figure 1: Indonesia's Medical Referral System



Source: DGMC

The Dr. Hasan Sadikin Hospital is the largest of the nation's 60 Class B hospitals, was providing almost all medical services and had a comparatively highly-skilled staff; however, prior to this project it had never received assistance from a foreign donor and in the five years preceding appraisal, there had been no facilities investment or purchases of new equipment, thus both had become remarkably dilapidated. Moreover, twelve other Class B teaching hospitals (which train medical students and healthcare workers) were all experiencing similar problems. Indonesia's Ministry of Health was planning to improve the quality of regional healthcare and simultaneously the quality and quantity of physician training; it had positioned the development of the Dr. Hasan Sadikin Hospital as a model project for these twelve hospitals and was considering applying the same development methods and operation / management styles to the reconstruction of the other Class B hospitals should the planned reconstruction of the Dr. Hasan Sadikin Hospital get successfully underway. Against this background, the assistance that was extended to the development of this hospital with Japan's ODA loan, which promoted independent efforts and sustainability, is considered to have been relevant.

2.1.2. Consistency with Development Plans

This project was consistent with the goals of the sixth five-year plan that was current at appraisal, namely: to improve the health of the entire population and the construction of an efficient healthcare system (referral system). The project plans are also highly consistent with current national and regional healthcare development plans, and improvements to the social sector and welfare are also identified as a priority issue in the national development plan covering 2000-2004 (PROPENAS). Under the slogan “Healthy Indonesia 2010”, Indonesia is currently executing its national healthcare development plan, as part of which, hospital autonomy and decentralization, as well as qualitative improvements in healthcare services are being promoted under the referral system program, one of the components of this priority program. This policy direction is consistent with the objectives of this project, which set out to improve the health of the citizens of West Java by expanding the functions of the Dr. Hasan Sadikin Hospital: its top referral hospital in West Java. West Java’s regional healthcare development strategy (RENSTRA Kesehatan) paper also points to the importance of the Dr. Hasan Sadikin Hospital as the top referral hospital and teaching / training hospital for lower ranking medical facilities, the existence of which is supporting the development of a healthcare system focused on improvements to health centers.

2.2 Efficiency

2.2.1. Outputs

The appraisal scope components, i.e. the construction of an emergency unit / central operating theater and the procurement of equipment were completed essentially in accordance with the original plans. To strengthen hospital finances by improving private room facilities to meet the shortages of hospital beds and bolster healthcare services for the poor, private ward facilities comprising a total of 90 beds were constructed and the necessary equipment purchased. The training for staff was generally provided as planned.

Figure 2: Central operating theater

Figure 3: VIP Room in New Hospital Wing

2.2.2. Project Period

Conformity with the project's implementation schedule was high. Construction of appraisal scope components; i.e. emergency unit and central operating unit, was completed and the handover accomplished one month ahead of schedule (planned date October 2000), with all construction work being completed in November 2001 consequent upon the subsequent construction of the new hospital ward at which point the opening ceremony was held.

2.2.3. Project Costs

Total project costs amounted to 4,621 million yen, which was equivalent to approximately 74 percent of the amount budgeted at appraisal (6,276 million yen). The cost savings were primarily attributable to the depreciation of the local currency, which exceeded inflation, and to competitive bidding, which enabled efficient procurement.

2.3 Effectiveness

Table 1 shows the key service index data for the Dr. Hasan Sadikin Hospital. These data evidence that the hospital's function as the top referral hospital, particularly in respect of medical technologies, have been expanded / improved; however, they also suggest room for further improvement and greater efficiency in overall service provision.

Figure 4: General Intensive Care Unit (GICU)

The following may be pointed out as indicators hinting at the effects of this project. In the first instance, emergency patient numbers and the number of operations per se are on the decline; however the ratio of emergency patients transferred from other hospitals to the whole, as well as the ratio of operations requiring sophisticated technologies and that of major operations are both increasing. Impatient numbers are on a rising, and there have also been marked improvements in the occupancy rate of beds for high-income patients underscored by the construction of the new hospital unit, which are contributing to an increase in hospital revenues (for transitions in patient income see Figure 7). These improvements are also helping to support the provision of healthcare services to low-income patients. Furthermore, residents outside from Bandung city account for an increasingly large proportion of impatient. Added to which, mortality rates in ICU are considerably lower than the target value[3].

[3] An example of service improvements in the Neonate Intensive Care Unit (NICU) are the premature Siamese twins who were receiving treatment when the site was visited for this survey. The twins were born in Bandung on July 12,

Table 1: Pre- & Post-project changes in service indicators at Dr. Hasan Sadikin Hospital

(shaded sections represent targets that have almost been reached)

Index		Pre-project (1996)	Post-project (2002)	*Post-project estimate*
Emergency outpatient numbers	Total	30,634	29,783	*43,800*
	% transferred from other hospitals	6%	14%	*15%*
Operations (No.)	Total	13,114	11,827	*17,512*
	Emergency care unit	3,452	2,551	*4,012*
	Central operating theater	9,662	9,276	*13,500*
	% of sophisticated / major operations[1)]	28%	42%	-
Impatient numbers	Total	22,481	24,070	-
	Referrals	-	33%	-
	Residents outside from Bandung city	45%	48%	-
Bed occupancy rate (%)	Total	59.4	63.6	*75%*
	ICU total	68.4	73.2	-
	High-income group impatient	51.8	58.9	-
Mortality rate (%)	Total	6.08	5.46	*5.5*
	Of which GICU	22.9 [2)]	23.5	*30.0*
	Of which NICU	50.0 [2)]	35.0	*50.0*
Outpatients (outside project scope)	Total	290,385	304,333	*263,374*
	Referrals[3)]	61%	29%	*60%*
	Residents outside from Bandung city	-	64%	

Source: Dr. Hasan Sadikin Hospital

Note 1: Operations are classified into (1) those requiring sophisticated techniques, (2) those requiring special techniques, (3) other major operations, (4) other interim operations, and (5) other minor operations. The percentages shown are for categories (1)-(3).

Note 2: Figures for 2000.

Note 3: The decrease in this figure is considered to be attributable either to the fact that the referral system had become functional or to the fact that the development of the out-patient ward was incomplete.

Aside from the indices shown in Table 1, there was evidence of exponential increases in the number of angiograms performed and of results from endoscopic examinations, which the hospital was unable to perform prior to project implementation. Further, thanks to the development of a central sterilization and supply department (CSSD), there were no cases of

2003, but were brought to Dr. Hasan Sadikin Hospital as they were joined from the navel down, where they underwent surgery to attach an anus on the 15th. The operation was a success and subsequent prognosis favorable; however, the twins died on July 25 due to functional disturbances of the heart and conjoined sections. According to NICU staff, the new facility made it possible to provide the best possible surgery and treatment (apparently the warmer was particularly useful), and it was possible to prolong the twins' lives longer than had they been treated in the pre-project facility. The twins' parents were from the low-income group and were thus exempted from paying the medical fees.

hospital-acquired infection in 2003[4]. This CSSD was a project innovation, and, two staff members received six-month training at a general hospital in Singapore, based on the outcome, a systematic management system was established and functions favorably. Prevention of hospital-acquired infection, high-risk neonatal treatment and other services that were covered by the project have been newly accredited by the Ministry of Health[5]. Furthermore, as is detailed in Box, hospital staff and patients generally award high praise to the improvements in medical technologies that have spanned the project implementation period. This is further evidenced by the fact that since project development work was completed, Dr. Hasan Sadikin Hospital has been included in the list of medical facilities in Bandung City at which Japanese citizens may feel confident in undergoing diagnosis and treatment, and by the rapid increase in the number of group tours, so-called comparative studies, that have been undertaken by staff from other medical facilities since project completion[6].

On the other hand, numbers of emergency out-patients and of surgical procedures have either leveled off or are decreasing, and post-project figures have yet to reach target levels. In analyzing the factors, the director of the West Java health bureau and the head of the out-patient department point to the improvements in primary healthcare facilities that have resulted from assistance provided by numerous donors, and to the fact that the referral system has become functional (the enforcement of a policy to enable patients to be examined at the nearest health center in non-emergency situations)[7]. The hospital also acknowledges the following as being causative: upgrades of Class C hospitals to Class B hospitals (patient distribution), improvements in services at Class C hospitals, and the construction of a new private hospital in the region, etc.

In interviews with (46) patients, positive opinions were given of the sophisticated medical equipment and the highly-experienced medical personnel, but patients also pointed to the need for improvements in the attitudes of doctors and nurses and in the security of the waiting room (refer to the box).

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4 Since the hospital only began recording hospital-acquired infection statistics in 2003, the incidence of such infections prior to this time has not been confirmed, and the hospital explained that it was not possible to acquire such data.

5 In 1998, five of the services provided at Dr. Hasan Sadikin hospital (management, healthcare services, emergency services, etc.) were accredited by the Ministry of Health. In addition, seven services (all developed via the project): i.e. pharmaceutical, radiology, clinical examinations, toxic waste disposal, operating theaters, and prevention of hospital-acquired infection, were accredited in 2003.

6 Particularly in 2002, when figures became almost twice than that of the first half of the year, with records showing that more than 8,000 people visited the hospital in this 6-month period.

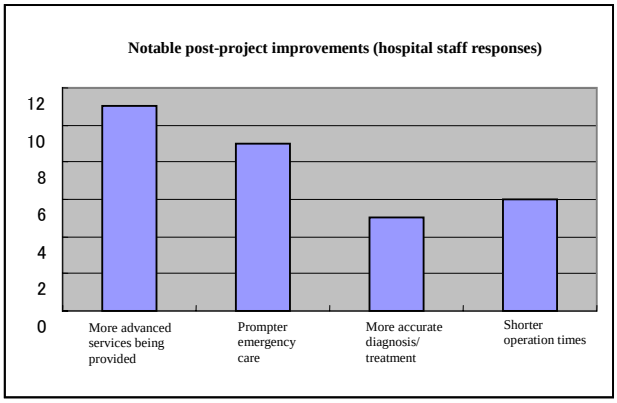
7 At the Class C hospital and Class D hospital that were visited during this survey (both are secondary medical facilities; neither has received external assistance), numbers of emergency patients and operations increased from the late 1990s through 2002, which is considered to hint at functional improvements in the referral system.

[Box] Survey of Stakeholder Satisfaction

An interview survey was conducted with a view to ascertaining the convenience of facilities and services at Dr. Hasan Sadikin Hospital, as well as the opinions and level of satisfaction with same among its users. Respondents comprised (1) 12 hospital staff (3 doctors, 3 nurses, 1 technician, 4 pharmacists, and 1 cleric), (2) 46 in-patients / out-patients and/or members of their families (parents of minors aged 10 or under and patients aged between 12-76: 25 male, 21 female, 22 in-patients, 24 outpatients), and (3) 2 primary and 2 secondary healthcare facilities located in Bandung City or its suburbs. Different interview guides were prepared for each group with the interviews being undertaken by the local consultant. Key results are summarized below.

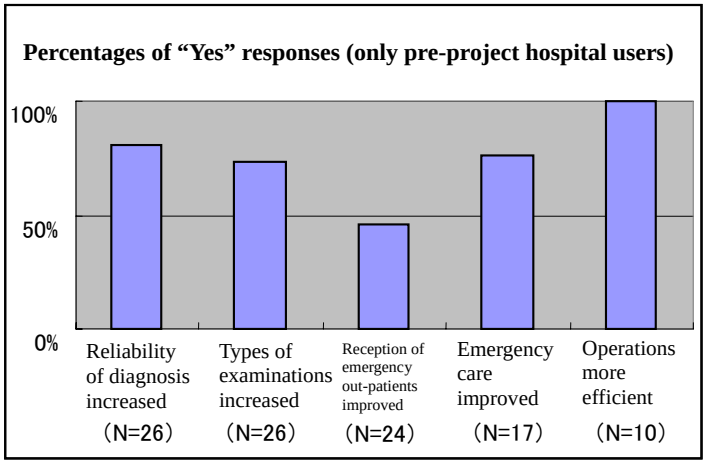
1. Results of interviews with staff of Dr. Hasan Sadikin Hospital

All 12 respondents stated that services at the new facility had improved. Respondents were asked to select from among several options which aspects of the services they considered to have improved markedly, which yielded the results shown in the figure below. Many respondents pointed to the provision of sophisticated services and to improvements in emergency care.



2. Results of interviews with patients

Patients who had used the hospital prior to project implementation (approximately half of all respondents) were asked to indicate whether or not improvements had been made in individual areas, which yielded the results shown in the next figure. Many opinions were fixed on improvements to technical aspects. When all respondents were asked to indicate what made Dr. Hasan Sadikin Hospital better than other hospitals, respondents pointed to “sophisticated medical equipment”, “highly experienced staff”, “ICU services” and “buildings”, etc. By contrast, respondents pointed to the following negative aspects: “waiting room security”, “protracted waiting times”, “the attitudes of staff”, “differences in the services provided to different patients”, “expensive medical fees”, “complicated consultation and examination procedures”, etc. and expressed their desire to have a “box made available for comments”. When these comments were put to the hospital, it acknowledge the need for improvements in all areas and, specifically, with respect to the attitude of hospital staff, stated that it is currently providing training to staff with a view to checking the authoritarian manner that prevails at public hospitals.



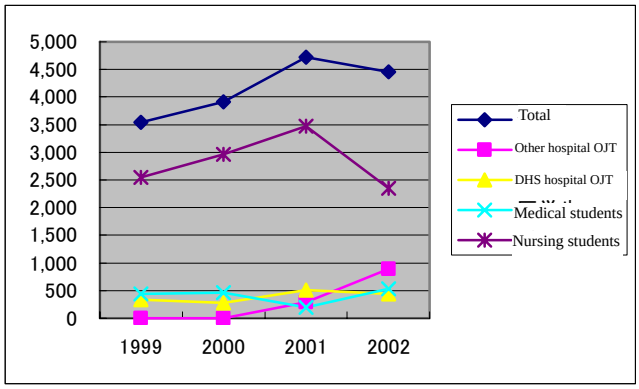
Note: N = the number of valid answers to each question

3. Results of interviews with referring primary / secondary medical institutions

Figures for the ratio of patients referred to Dr. Hasan Sadikin Hospital were: 5.5% (more than 2,000 patients per year) at primary healthcare facilities (health centers), and for secondary healthcare facilities, 0.3% (around 500 patients per year) at Class C hospitals, and 3.3% (around 600 patients a year) at Class D hospitals, confirming that more patients are referred by the lower ranking facilities. All healthcare facilities refer more than 90 percent of their patients to Dr. Hasan Sadikin Hospital. As the reason for this practice, all respondents stated that it is an "advanced healthcare facility". Otherwise, two respondents from primary healthcare facilities pointed to "sophisticated treatment", and two respondents from secondary healthcare facilities cited "the availability of specialists". Respondents commented that despite wanting to find out about the patients they had referred to Dr. Hasan Sadikin Hospital they had received no feedback, and that they would like to maintain close contact with the hospital as partners.

The vision and mission upheld by Dr. Hasan Sadikin Hospital is to be the top referral hospital and to fulfill its function as a teaching hospital and research institute. As a teaching hospital and as illustrated in Figure 5, total trainee numbers increased in 2001, the year of project completion. Whilst nursing student admissions fell in 2002 (reason unknown), there was a major increase in the numbers of staff from other hospitals receiving OJT (on-the-job training), from which it may be said that the hospital is contributing to qualitative improvements among

Figure 5: Numbers of healthcare providers receiving training at Dr. Hasan Sadikin Hospital



Source: Dr. Hasan Sadikin Hospital

regional healthcare providers.

2.4. Impact

2.4.1. Health Improvements in West Java

It was not possible to obtain data on health indicators in West Java spanning the pre-project period to the present either from the Ministry of Health or the provincial government, and the project's impact in terms of transitions in the figures was unable to be confirmed[8]. According to Ministry of Health statistics, however, average life expectancy at birth, and both infant and maternal mortality rates were improving across the country throughout the 1990s.

2.4.2. Healthcare Services for the Poor

The development of Dr. Hasan Sadikin Hospital that was undertaken via this project is thought to have had a positive impact on the poor. Even before project implementation, as a public facility, the hospital provided high-level medical services to the poor by charging extremely low basic medical fees (fixed price of Rp3,000 = approx. 20 yen[9]) and exempting low-income patients from fee payment. In January 2001, the hospital became a state-owned enterprise (Perjan) under Ministry of Health jurisdiction via which it acquired complete discretion over budgetary matters, and it is currently promoting management reform. According to the hospital, its goal is to subsidize the treatment costs of low-income patients by increasing revenues from high-income patients (cross-subsidy). Against a poor population of approximately 4 percent (2001) in both West Java and Banten, which became a separate province in 2001, the ratios of general and emergency out-patients at Dr. Hasan Sadikin Hospital who are exempt from medical fees[10] are fluctuating between 2-5 percent and 15-20 percent respectively. Whilst there have been no remarkable changes in these percentages between pre- and post- project, it is suggested that the project-induced improvements in emergency services, etc. are fulfilling an important role in enhancing the emergency services available to the poor.

2.4.3. Other Impacts

[Natural Environment & Socio-ecology] No notably negative effects on the environment were confirmed. According to the results of water quality tests performed at a Ministry of Health laboratory, waste water discharged by Dr. Hasan Sadikin Hospital meets national standards. Further, the hospital reports that all medical waste is being disposed of in accordance with procedures established at appraisal. The project did not involve any acquisition of land or

8 According to the "Indonesia Health Profile 2001" (Ministry of Health), 2001 health indicators for West Java were as follows: infant mortality rates were 56% for boys, 44% for girls, 50% for both; the under-5 mortality rate was 64.67%, the crude birth rate (per 1,000 people) 22.6% and the crude death rate (per 1,000 people) 8.1%.

9 This has recently been raised to Rp5,000.

10 Medical fees are wavered upon presentation of the health certificate that is issued to the poor. The total number of "free / exempt" and "inability to pay" patients was calculated as the percentage of the total.

relocation of residents.

[Emergencies and Disasters] A positive impact is expected to be generated by the hospital's Emergency Mobile Unit (EMU), which was established in January 2003. Given that injuries due to landslides, etc. are an annual occurrence in West Java, the EMU has been staffed with doctors and nurses and equipped with mobile emergency care equipment procured using project funds. Since it was set up the EMU has already been mobilized to test SARS (Severe Acute Respiratory Syndrome) for seamen who arrived at an international port and to respond to a landslide, and it is helping to strengthen the region's ability to respond to disasters.

2.5 Sustainability

2.5.1. Executing Agency

(1) Technical capacity

No problems.

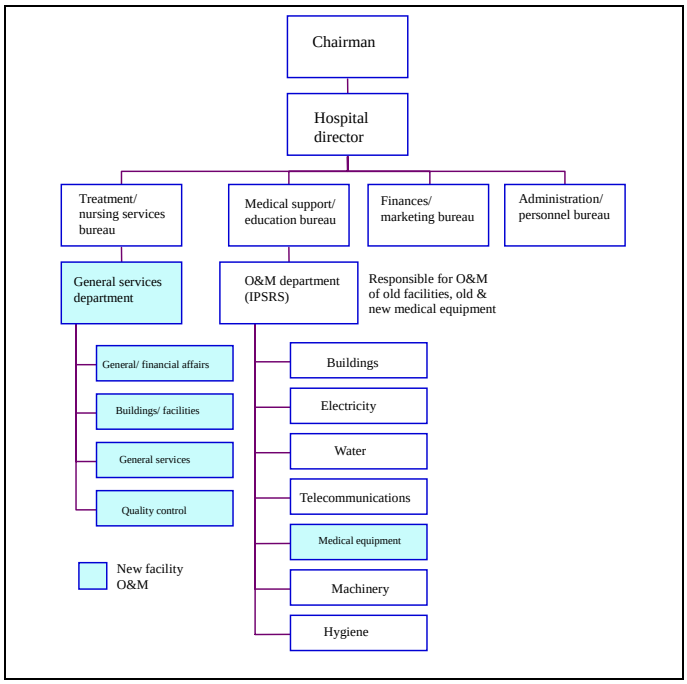
(2) Operation and Maintenance System

In the past, all operation and maintenance (O&M) of hospital facilities was undertaken by the installation facility maintenance department (IPSRS) under the supervision of the medical support and education bureau. By contrast, the O&M of the new facilities (those developed via this project) is divided into: (1) the facilities per se and (2) medical equipment, with each being undertaken by separate departments. In short, the O&M of the new facilities is the responsibility of the general services department (the shaded sections in Figure 6; the buildings and facilities operation and maintenance section has a staff of 20), a newly established department under the jurisdiction of the medical and nursing service bureau, whilst the operation and maintenance of medical equipment in both old and new facilities falls to IPSRS (14 staff members). This set up differs from the plan for operation and maintenance management that was established at appraisal (all operation and maintenance of hospital facilities and equipment was to be undertaken by the functionally expanded and additionally staffed IPSRS). Furthermore, the operation and maintenance cost sharing arrangements between the Ministry of Health and Dr. Hasan Sadikin Hospital also differ from those set up at appraisal, with the share being born by the hospital having increased. However, these changes are not reported to be causing any notable problems and the operation and maintenance system is considered to be appropriate.

This was the first JBIC-funded project executed by Indonesia's Ministry of Health to hire a project manager service (PMS) consultant. Dr. Hasan Sadikin Hospital reports that there was ambiguity about certain aspects of the respective roles of the initial E/S consultant and the PMS consultant's respective roles and the PMS consultant was inexperienced, which combined to

produce delays in the execution of the project (mainly in the compilation of documents). Furthermore, there were a number of problems at the start of project implementation, in that it took time to build collaborative relationships among the two consultants, the Ministry of Health, Dr. Hasan Sadikin Hospital, BAPPENAS (the national development planning agency), and JBIC, it was the first time for the hospital to receive foreign aid, thus it took time to understand the various procedures involved.

Figure 6: O&M System at Dr. Hasan Sadikin Hospital



Source: Dr. Hasan Sadikin Hospital

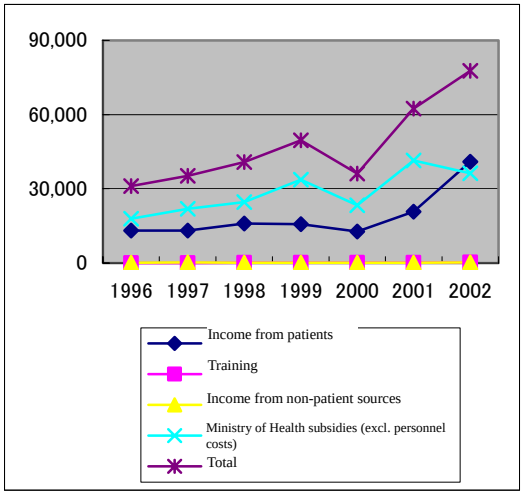
In order to address these problems, reporting that the hospital's project team had ownership, they worked in cooperation with the JBIC Jakarta office, the Ministry of Health and the consultants to gradually overcome each of the problems that arose. For example, there are reports of the team having undertaken a number of activities, including participating in seminars held at the JBIC Jakarta office on the implementation of ODA projects, frequent phone consultations between the JBIC Jakarta office and the Ministry of Health, and discussions involving frequent visits to Jakarta (the JBIC office and the Ministry of Health) by all the parties involved in the project, including the hospital director. Furthermore, the project team is storing all project-related documents, which it has catalogued and is managing, and during the site visit made for this survey it was confirmed that information provision is both exceptionally prompt and accurate. As a comprehensive evaluation of all these factors, it is considered that the proactive and diligent involvement of the Dr. Hasan Sadikin Hospital project team made a substantial contribution to the efficient execution of this project.

(3) Financial Status

From a budgetary perspective, given that income and expenditure have been in balance since the 1990s and that hospital revenues have been rising since 2001 when the project was completed and the hospital became a state-owned cooperation, the hospital's finances are considered to be highly sustainable. Breakdowns of income and expenditure are shown in Figures 7 and 8. In terms of income, there has been conspicuous growth in revenue from patients, which eclipsed Ministry of Health subsidies in 2002, whilst O&M costs for the new facilities account for around 20 percent of total expenditure. Again, the proportion of total expenditure accounted for by fees exemptions for low-income patients has increased from 4 percent in fiscal 1999 to 6 percent in fiscal 2002.

Figure 7: Transitions in Hospital Income

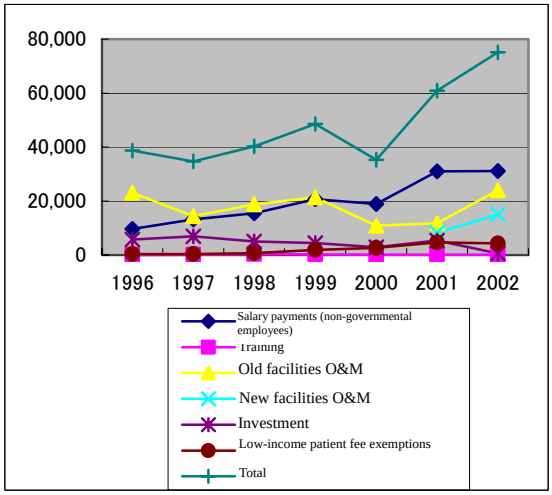
(unit: million rupiah)



Source: Dr. Hasan Sadikin Hospital

Figure 8: Transitions in Hospital Expenditure

(unit: million rupiah)



Source: Dr. Hasan Sadikin Hospital

2.5.2. Operation and Maintenance Status

The O&M of project facilities and equipment is carried out using daily, monthly and yearly routine inspection lists that are based on the hospital's original O&M master plan. According to the buildings and facilities section of the general services department, the accomplishment rate for daily routine inspections is 100 percent and facilities are being maintained in favorable condition; however, the monthly and yearly inspections are still under development and accomplishment rates have remained at 75 percent.

As to medical equipment, since that procured for project facilities is still under supplier warranty, it was explained that only preventative maintenance is being undertaken. According to

IPSRS records, routine inspections have been executed as scheduled for the past two years. With respect to the hospital's ability to repair the equipment once the warranty periods have expired, a technician in the equipment workshop reports that since most of the new equipment is of the same class as that used previously at the hospital, there are no concerns regarding its repair. The hospital has adequate supplies of spare parts and there are no particular problems in this area either.

2.5.3. Post-project Hospital Development Plans

Dr. Hasan Sadikin Hospital should be credited for its ongoing efforts to undertake development and management reform. The hospital is working to expand its services, introducing of a Hospital Information Management System (HIMS) with own fund at around the time of project completion (to date, all offices have been connected online and patient records have already been digitized), and establishing Indonesia's first memory clinic (an out-patient clinic for people with memory disorders). The hospital's efforts to institute management reform include the employment of a marketing manager to attract new customers, and the recruiting of an economist for the management team, and in view of all the perspectives mentioned, its overall sustainability is considered to be high.

3. Feedback

3.1 Lessons Learned

The hospital's strong sense of ownership made a major contribution to the efficient execution of the project. Moreover, the transformation of the hospital to state owned cooperation in 2001 contributed to the sustainability of the hospital's finances through substantial increases in revenues from treatment and diagnosis.

The staff at Dr. Hasan Sadikin Hospital has a strong sense of ownership and made an effort to work with the JBIC Jakarta office, the Ministry of Health and the consultants in executing this project. The proactive and diligent involvement of the hospital's project team is considered to have made a major contribution to the efficient execution of this project.

As stated above, Dr. Hasan Sadikin Hospital has been transformed to state owned cooperation in 2001 and is currently pushing ahead with management reform. This project was completed that year, increasing revenues from diagnosis and treatment by a wide margin; in 2002, the revenues exceeded government subsidies. The transformation of the hospital to state owned cooperation seemed to have encouraged greater ownership and commitment to management, which is believed to have contributed to the sustainability of its financial aspects. This has also laid the ground for more proactive efforts to improve healthcare services for the poor.

3.2 Recommendations

[To the hospital]

Efforts to build a system designed to augment / strengthen current staff training and communication with lower-ranking medical facilities would contribute to improve the quality of hospital services and further upgrade the referral system.

During interviews with patients, it was pointed out there was room for improvement in terms of the attitudes of hospital staff and security, and in examination procedures, etc. A number of the respondents from primary and secondary medical facilities also pointed to the need for Dr. Hasan Sadikin Hospital to provide feedback on the course of patients referred to the hospital. It is hoped that the improvements in the quality of hospital services and further upgrades to the referral system will be realized through the ongoing construction of a system of service provision that unites customers (patients) and the West Java referral system, which involve efforts to reform staff consciousness using its current staff training programs and to augment / strengthen communication with lower-ranking medical facilities and patients, and during this process, due consideration be given to the opinions mentioned above. .

Comparison of Original and Actual Scope

Item	Planned	Actual
1. Outputs		
1. Civil engineering works		
1) Emergency unit	Combined floor area for 1) + 2): 20,610m^2	1), 2) completed as planned
2) Central operating theater	4 floors, 1 basement floor	New hospital wing (floor area: 8,050m^2, 4 floors) additionally constructed
2. Equipment procurement		
1) Package 1	Anesthesiology / surgical equipment	1) - 5) completed as planned
2) Package 2	Electronic medical equipment	
3) Package 3	X-ray equipment	Additional equipment procured for emergency unit / central operating theater
4) Package 4	Endoscopes and other laboratory equipment	
5) Package5	Furniture	Equipment / furnishings procured for new hospital unit
3. Staff training		
1) Off-shore training	3 people × 6 months	15 people × 2-6 months
2) Domestic training	3 people× 6 months	15 people × 3 months
3) Training provided by foreign expert within hospital	3 instructors ×3-6 months	3 foreign instructors × 3-4 months 17 Indonesian instructors × 4-30 months
4. Consulting services		
1) Project Management Services (PMS)	157.5MM	215.5MM
2) Engineering services (E/S)	156MM	393.6MM
2. Project period		
1 Consulting services	July 1996 – March 2001	November 1996 – March 2002
2. Construction work	July 1997 – September 2000	October 1998 – March 2002
3. Equipment procurement	February 1997 – September 2000	August 1998 – February 2002
4. Training	October 1999 – October 2000	April 1999 – December 2001
3. Project costs		
Foreign currency	4,320 million yen	3,272 million yen
Domestic currency	1,956 million yen (42,507 million rupiah)	1,347 million yen (100,673 million rupiah)
Total	6,276 million yen	4,621 million yen
ODA loan portion	4,707 million yen	4,619 million yen
Exchange rate	Rp1 = 0.046 yen (as of November 1996)	Rp1 = 0.013 yen (average between November 1997 – December 2001)

Third Party Evaluator's Opinion on
Dr. Hasan Sadikin Hospital Improvement Project

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Relevance, Impact

Indonesia is attempting to provide healthcare services for its population. "Healthy Indonesia 2010" reflected in the national healthcare development plan has emphasized the importance of hospital autonomy and decentralization, and the improvement in the quality of healthcare services. The priority is placed on the development of regional hospital as a referral system. The Ministry of Health has selected the improvement of the Dr. Hasan Sadikin Hospital, in Bandung, West Java province, as a model project for the development of referral hospitals in the country. At the project completion in 2001, the government of Indonesia has spent 4,621 million yen out of 6,276 million yen loan approved by the government of Japan.

Since the project completion in 2001, Dr. Hasan Sadikin Hospital has become a state-owned enterprise under the Ministry of Health. The hospital is now acquiring complete policy discretion over operational and financial management. The project completion strengthened by management reforms has increased the hospital revenues from diagnosis and treatment. The revenues have exceeded the government subsidies in 2002 that indicate the positive impact of the project completion on the hospital financial sustainability.

The state-owned enterprise status does not prevent Hasan Sadikin performing its function as a public facility to improve healthcare services for the poor. Since the project completion, the ability of Dr. Hasan Sadikin Hospital to provide healthcare services for the poor has increased significantly. The hospital management is still exempting low-income patients from fee payment. Under the new status, the hospital management is even able to subsidize the treatment costs of low-income patients by increasing revenues from high-income patients.

The government provides free healthcare services for the poor by distributing "kartu sehat" (health coupon). Public hospital is obliged to provide healthcare services for any patient that registers by using health coupon. Medical fees are waived upon presentation of the health coupon that is issued to the poor. Dr. Hasan Sadikin Hospital has been continuing to host patients using health coupon to register for healthcare services. The proportion of "free/ exempt" and "inability to pay" patients varies between 2-5 percent and 15-20 percent respectively. The project completion seems to have enhanced the contribution of Hasan Sadikin Hospital's emergency services to the poor. The contribution is very punctual at the increasing number of the low income patients looking for appropriate healthcare services. In 2002, Dr. Hasan Sadikin Hospital received 16,682 patients using health coupon. In 2003, the number of health coupon received by the hospital increased to 33,475.

The new government under President Bambang Susilo Yudhoyono has issued a policy action to exempt the poor from paying the cost for the third class hospital beds. The project completion has also improved the third class beds at Dr. Hasan Sadikin Hospital. Therefore, the number of low income and poor patients benefiting from improved facilities at Dr. Hasan Sadikin Hospital is expected to increase in response to the new government policy. The project completion seems to provide a significant impact to improve healthcare services for the poor.