GOVERNMENT OF PAPUA NEW GUINEA

TRANSFORMING HEALTH SERVICES AT ALL LEVELS IN PAPUA NEW GUINEA: PACIFIC MEDICAL CENTER WILL PLAY A CRITICAL AND LEADING ROLE

“Insanity is doing the same thing over and over again and expecting different results.” - Albert Einstein (1879 - 1955)

This is a statement from Hon. Bill Clinton when he met our PM Hon. Michael Somare at New York on April 2nd 2010.

"Mr Prime Minister, your country’s Pacific Medical Center project is precisely the kind of public private partnership healthcare initiatives that we [the Clinton Foundation and our partners] support around the world...; with your country’s booming energy and mineral sectors, with your local population and international investors’ increasingly needing better healthcare, and as your national economy expands and Papua New Guinea’s population increases, this is a perfect time to undertake this major healthcare project...and I want to support you and your people on this major project....”

- Honorable Bill Clinton, 42nd President of the United States (and Founding Chairman, William J. Clinton Foundation) in a meeting with Rt. Hon. Grand Chief Sir Michael Somare, Prime Minister (with Planning Minister Hon. Paul Tiensten and Ambassador Evan Paki accompanying the Prime Minister), New York, Friday April 2, 2010.

It is one thing to be engaged in an ongoing productive debate with someone or members of the public on issues that are of consequential importance to Papua New Guinea and its people – such debates are useful and healthy and thus should be encouraged. It is quite another thing to be drawn into a frivolous debate - with someone like Dr Glen Mola, who is either (a) intentionally lying to protect his own business or parochial interests or (b) who has been knowingly grossly misrepresenting the facts on material aspects of the Pacific Medical Center (PMC) project or (c) who is an ill-informed naysayer who is not interested in knowing the facts and wants this country to perpetually maintain the status quo.

Irrespective of what category of naysayers Dr Glen Mola falls under, it is regrettable that he - a medical practitioner in this country whose opinions and views should be respected if he is right,
which he is not in this case - has continued to publish baseless fabrications and outright lies in opposition to the proposed Cabinet-approved Pacific Medical Center in PNG.

Dr Mola - who is also the owner/operator of a private, for-profit hospital – has disparagingly referred to the Cabinet-approved PMC project as a “private political initiative” and, in so doing, has insulted the intelligence of the PNG Cabinet which, in its wisdom, endorsed PMC as “the most significant investment in the nation’s public healthcare sector since Independence in 1975” in November 2009 (based on a joint submission to Cabinet by three key ministers: the Minister for Health, Minister for National Planning and the Minister for Finance and Treasury).

The latest baseless attacks and false accusations by Dr Mola as reported (“Mola: PMC will destroy public health sector”, The National Wednesday, October 20, 2010; ‘Super hospital’ poses threat, Post Courier, Wednesday, October 20, 2010, “K230 million super hospital could jeopardize PNG health sector,” Sunday Chronicle, October 24, 2010) are further manifestations of his propensity to mislead the PNG public time and again about this innovative healthcare project that has the potential to, for the first time, vastly transform the quality and standard of health services available to our people.

Granted, there have been some legitimate questions raised about the PMC project. Thus, this informational piece – based purely on the PMC project documents presented to the National Government - is presented in a ‘question-and-answer’ form for ease of understanding.

• **Why are we doing this informational piece?**

Our reason for this piece is twofold: (a) Dr Mola has invoked members of the PMC Team a number of times – it has been published in the media – in connection with the PMC project; and he has made misleading assertions about the PMC project that are completely false that stand to be corrected; and (b) since we have been the primary members on behalf of the Government responsible for coordinating the U.S. and global support for PMC (from supporters like America’s 42nd President Bill Clinton, who we have spoken with five times in the last six years and during two of those times his support for PMC was specifically discussed) – and have been privy to almost all discussions outside of PNG, we have been asked by the public of PNG to put the record straight and speak to the projected immense health care benefits to PNG as a result of the PMC project.

• **So what are some of the key facts about the proposed Pacific Medical Center?**

PMC’s U.S.-based project team completed a detailed 400-plus page project document and several copies were delivered to the Government in September 2010. That document contains all the necessary information covering all material aspects of the 100% not-for-profit (charitable) PMC project, including PMC’s goals and priorities, how poor patients will be provided care, costs, support from PMC’s global supporters, how PMC will be developed and operated and its ongoing operations funded, among others.

Everyone – including the appropriate ministers, Health Department’s and National Planning’s executive management, and the technical advisory committee, among others – who has reviewed
the detailed project documents knows that Pacific Medical Center is definitely not a “private political initiative that will do more harm to the public health sector than meet the health needs of Papua New Guineans” - as has been falsely labeled by Dr Mola.

• **What then is the essence of the proposed Pacific Medical Center?**

Contrary to Dr Mola’s fictitious claims, PMC will be developed as a 100% not-for-profit (charitable) modern government hospital that will be developed, managed and operated with the support of some of the world’s – and America’s – leading humanitarian-minded teaching hospitals, medical schools, healthcare foundations, philanthropists and philanthropic organizations and other global healthcare supporters. These charitable-minded global supporters are interested in working with the Government to improve and advance the standard and quality of health services at all levels in order to save lives and improve the quality of life for its citizens and to over time significantly change the *status quo* of PNG’s healthcare sector.

• **Is PMC part of PNG’s National Health Plan 2011-2020? How will PMC help serve the health care needs of ordinary Papua New Guineans?**

Pacific Medical Center is thus captured as an integral part of PNG’s new *National Health Plan 2011-2020* – which PNG will seek to implement as we, as a nation, work towards transforming our national healthcare system towards Health Vision 2050 for the benefit of everyone.

The following description of the PMC is taken straight out of the National Government’s *National Health Plan 2011-2020* (pages 30-31) and the PMC project documents presented to the Health and National Planning departments:

“*Pacific Medical Center* will be developed as a 100 percent not-for-profit, state-of-the-art, full-service teaching hospital to benefit the entire country. It will:

(a) **Serve as the nation’s center of excellence in health care where the world's best practices in healthcare and medicine will be provided and demonstrated to benefit Papua New Guineans in collaboration with public hospitals and some of the world’s leading teaching hospitals;**

(b) **Serve as the nation’s leading referral hospital for urgent and critical care needs that are beyond the capacity of any public hospital in PNG;**

(c) **Become a center of excellence in postgraduate and continuing medical education, including professional training aimed at improving the skills of national physicians, nurses, hospital administrators, biomedical engineers and other ancillary staff working in public hospitals in PNG;**

(d) **Become the nation’s center of excellence in medical research in useful areas of health and medicine, in collaboration with nation institutions such as the UPNG School of Medicine and Health Sciences, PNG Institute of Medical Research, and other local**
universities, including in partnership with university medical centers and hospitals, and other global healthcare partners in the United States and around the world;

(e) leading distributor and donor of medicines, drugs, medical equipment and other essential medical supplies, which PMC will donate (based on demonstrated need) to public hospitals and other healthcare facilities throughout PNG that are serving the poor and rural communities.”

In view of these noble goals, how can Dr Mola in good conscience justify his false claim that the Government’s PMC project will “do more harm to the public health sector than meet the health needs of Papua New Guineans”?

• **Will PMC be developed as a public-private partnership healthcare initiative?**

PMC is a 100% not-for-profit government hospital that will be developed and operated jointly by the Government and expert global teams that are not part of the Government as described here. So it is a public private partnership initiative - which is consistent with national government policy on forging effective public-private partnerships to deliver health services as is called for in the [National Health Plan 2011-2020](#) and by the [Vision 2050](#).

**How will PMC cover its costs and achieve financial sustainability? Will it perpetually rely on government funding support? Will PMC take any funding from the Health Department?**

PMC will not only be successful but will also achieve financial sustainability, based on the economic models done by the PMC project team in consultation with the Government:

a) PMC would charge a fee for service on the rich and others who have the ability to pay – and that revenue will largely fund the costs of serving the poor as well as PMC’s operations.

b) PMC revenues will come from: (i) capturing much of the expenditures that residents spend on overseas care; (ii) capturing the medical costs incurred by the 45,000 PNG residents (based on Health and National Planning data) who currently have health/medivac insurance; and (iii) additional revenue raised through fees paid by the paying public, and other sources.

c) Various researches/interviews (including analyses of revenue/cost data from Port Moresby’s three large private hospitals) over the last two years show that well-managed private hospitals make up to 30% net income annually – and the private healthcare market in Port Moresby has been growing at a rate of 15% to 20% in the last 3 years.

d) 100% of PMC’s net revenue, along with all donations/appropriations, will be applied towards funding PMC’s operations, medical and nursing education, healthcare to the poor and outreach programs. There will not be any profit-seeking ‘investors’ involved in PMC.
e) PMC’s revenues will be sufficient to fund its entire operating budget - even if PMC’s operating expenses will be more than those of existing public hospitals because of PMC’s high standard of patient care. (PMC’s operating expenses will be less than would normally be the case because of the use of medical volunteers, donated medical supplies and other costs savings and efficiencies.)

f) PMC will be managed by some of the most skilled physicians and competent hospital administrators - who will help instill and maintain at PMC the highest standards of care. Their financially prudent practices will help ensure that PMC’s budget is judiciously used.

g) PMC is estimated to cost less than K500 million; this includes medical equipment costs (those not donated), construction budget, staff housing, housing for patients families, power utility plant, water/sewerage, roads, site preparation and other related costs. The Government (through the Health Ministry and National Planning) has emphasized that any government appropriations to PMC will be additional funding towards PNG’s healthcare sector because of PMC’s capacity to transform health services in PNG. Therefore, it is a fallacy – a blatant lie – to continue to perpetuate the insanity that PMC will ‘take away’ funding from the Health Department.

• Will the poor be turned away by PMC because they do not have the money to pay?

PMC will reserve 50% of its hospital beds – 150 beds – to benefit the poor patients referred from PNG’s public hospitals. PMC’s commitment to serving the poor is an integral and a critical part of its entire mission: PMC will ensure that the poor or indigent patients – irrespective of their ability to pay - have access to the same standard of care as do the paying public.

• Who are some of PMC’s global healthcare supporters?

Leading U.S. teaching hospitals and other global supporters are interested in supporting PNG to make PMC a reality but also to ensure its long-term success; these global supporters include, but not limited to, the following:

• Pacific Medical Center project team: the Project’s team leaders and others continue to volunteer on this Project; they have also agreed to help the Government with new provincial and regional hospitals that the Government has proposed to develop.

• The Honorable William Jefferson Clinton, 42nd President of the United States of America; Founding Chairman, The William J. Clinton Foundation: the PNG Government (through the Prime Minister) asked Former U.S. President Bill Clinton on Friday, 2 April 2010 to support the PMC project in view of its immense benefits to the entire nation through its own services as well as its catalytic role as the nation’s leading center of excellence in health services, postgraduate medical education, and outreach
services for the benefit of all Papua New Guineans. In response, President Clinton assured the Prime Minister of his strong support for the PMC project. (See quote above.)

- The PMC project team is in discussions with various global grant-making foundations and other philanthropic organizations that are interested in working with the Government to help realize the proposed Pacific Medical Center.

- **Saint Francis Hospital and Medical Center in Hartford, Connecticut:** Saint Francis Hospital, a Catholic Church-affiliated leading teaching hospital has agreed to work with the Government to help develop and operate a postgraduate medical education program. A Saint Francis-based practical postgraduate training program for PNG doctors will start soon (within days). At the end of their six-month training, the PNG physicians will return to work at their employing public hospital. Saint Francis and the PMC project will meet all costs of the U.S. training program, accommodation and meals.

- **Stanford University Hospital and Medical Center (“Stanford”), California:** Stanford – which has over 25 centers of medical excellence and some 1,200 doctors – is interested in helping to train PNG doctors and adopting electronic medical records and tele-medicine, etc. The Stanford-PNG Medical Project – which has trained hundreds of medics in the Sepik and Highlands regions in the last 16 years – is based on Stanford campus. Stanford has offered to run hospital administration conferences in PNG at their own costs.

  (a) **Boston University School of Public Health:** interested in working with PNG to train PNG’s doctors and hospital administrators, nurses and biomedical engineers/technicians.

  (b) **Samaritan Aviation:** Samaritan Aviation has delivered K6 million worth of medical supplies (including hospital beds) to PNG hospitals. Currently flying the ‘Spirit of Paradise’ float place in the Sepik for emergency medevac flights.

  (c) PMC project team is in discussion with a number of healthcare foundations to donate medicines and pharmaceutical supplies as well as hospital equipment to PMC and other public provincial and regional hospitals in PNG.

  (d) Dozens of other U.S.-based teaching hospitals and medical schools still exploring the prospects of being involved in supporting PMC and PNG generally in transforming health services in PNG, including; and there is also ongoing discussion between the PMC project team and with the U.S.-based executives of some of the major corporate investors in PNG who are keen on working with us to help advance health services in PNG.

**Concluding remarks**

While there is some merit in the argument that PNG should just focus on rural health services, no one has to be a physician to know that its proponents are only half right. PNG’s poor healthcare
indicators demonstrate that we, as a nation (with the support of our development partners) should focus on the health sector at all levels. Perpetual failure to provide advanced or tertiary medical services – including investing in modern hospitals (while we have proven and skilled global healthcare supporters that are ready to support us) - would be to our nation’s peril.

The naysayers (who advance the ‘primary health-only’ argument) ignore the fact that every other developing nation on earth that has developed a good healthcare system for its citizens has had to have at least one institutional leader in health care, be it a state-of-the-art teaching hospital or another leading medical institution. PNG – after 35 years of Independence - does not yet have such a national leader in health care that the entire nation can be proud of as the shining example of the world’s best medical practices.

Can PNG not even have one institutional healthcare leader – a modern, state-of-the-art, full-service government hospital - that we, as a nation, can be proud of? Isn’t it time that we had one institutional leader in Pacific Medical Center which would be the standard-bearer for the entire nation’s health care system? Especially when we, as a nation, don’t have to do it alone: when the 42nd President of the United States of America (and one of the world’s leading philanthropists), and some of the world’s – and America’s - leading teaching hospitals and medical centers, among other global supporters, are reaching out to us to help make PMC that transformative healthcare institution in PNG and within the region in decades to come.

Any member of the public who wants to know more about the PMC project can contact the Minister for Health, Hon. Sasa Zibe, chairman of the Public Healthcare Stakeholders Technical Advisory Committee, Dr Mathias Sapuri (also chairman of the PNG Medical Board), who is also volunteering his expertise on the Committee; or the Committee’s deputy chairman Dr Goa Tau, chief medical officer of the Health Department. That advisory committee is made up of all key healthcare stakeholders, including the Health Ministry, Health Department, UPNG Medical School, National Doctors Association, Nurses Council of PNG, the national universities, among others - and it provides well-considered advice to the Health Ministry and Department of Health. Questions about the prospects of government funding of the PMC project may be directed to the Chairman of the PMC Coordinating Committee (who is also the Secretary for National Planning & Monitoring).

Hon. Sasa Zibe MP  Dr Mathias Sapuri, OL  
Minister for Health  Chairman of PMC Government Technical Advisory Committee