

UP-PGH CANCER CENTER PPP PROJECT

Project Brief

University of Philippines-Philippine General Hospital
Manila, Philippines



UP-PGH Cancer Center PPP – Project Summary

Project	<ul style="list-style-type: none"> UP-PGH Cancer Center PPP
Implementing Agency	<ul style="list-style-type: none"> University of Philippines - Philippine General Hospital
Project Description	<ul style="list-style-type: none"> 300-bed cancer hospital providing international quality comprehensive inpatient and outpatient cancer treatment, including radio-oncology, imaging and radiology (X ray, USG, CT scan, MRI), medical oncology (chemotherapy), surgical oncology Under a 30-year Build-Transfer-Operate PPP concession the private partner will: <ul style="list-style-type: none"> Design, finance, construct, and commission a new standalone hospital building to be located within UP-PGH's Metro Manila campus Provide all major equipment (initial and replacement) Undertake maintenance, facilities management as well as non-clinical services (including cleaning, catering, laundry, and security) to the entire hospital Provide all clinical services to private self-paying patients in a dedicated 150-bed area UP-PGH will provide all clinical services free of charge to sponsored patients in a dedicated 150-bed area The winning bidder will be competitively selected based on the lowest required Annual Payment Revenues earned from clinical services provided to private self-paying patients as well as other relevant commercial activities (parking, F&B, retail, etc.) aim to allow the private partner to propose a lower Annual Payment
Procurement Mode	<ul style="list-style-type: none"> Solicited
PPP Structure	<ul style="list-style-type: none"> Build Transfer Operate (BTO)
Cooperation Period	<ul style="list-style-type: none"> 30 years
Region	<ul style="list-style-type: none"> National Capital Region, Philippines
Sector	<ul style="list-style-type: none"> Hospitals & Healthcare
Status	<ul style="list-style-type: none"> Approved by NEDA Board 2 February 2023

UP-PGH Objectives

UP-PGH Cancer Center PPP

UP-PGH is developing as a Public Private Partnership (PPP) a 300-bed dedicated cancer hospital in its Metro Manila campus, with at a minimum of half of all beds providing treatment to underprivileged Filipinos

Bring to fruition the 20-Year UP-PGH Masterplan

Narrow the current significant cancer infrastructure gap, in line with the ambitions of the 2019 National Integrated Cancer Care Control Act

Develop a precedent for private sector cooperation and coordination in health PPPs

Increase access to affordable, international quality, comprehensive cancer treatment

Context

Cancer is Affecting an Increasing Number of Filipinos

- Cancer is the **2nd leading cause of death** in the Philippines
- **Incidence and mortality** estimated to grow at **2.7% and 3% to 2040** (CAGR)

Address Infrastructure Gaps in Facilities & Equipment

- **Large gap in Philippines and NCR region for radio oncology equipment** - ~20 additional LINACs needed today in NCR to meet estimated current demand, and rising
- **1,800 cancer beds needed in NCR by 2030** to meet demand



Dedicated Oncology Hospital in the NCR



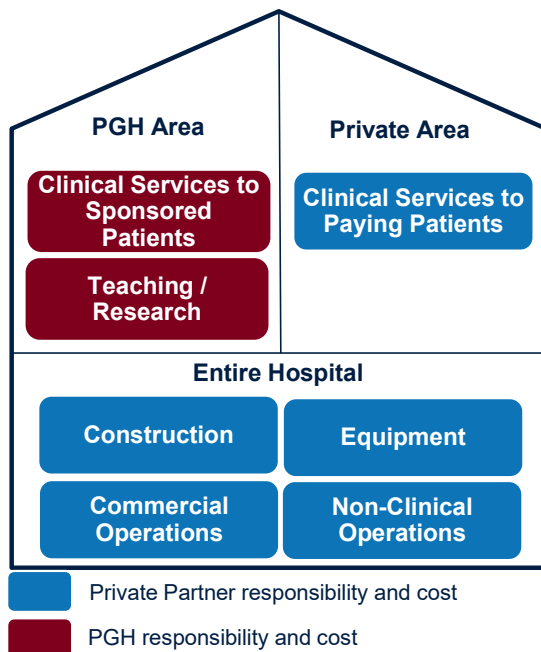
UP-PGH Needs to Expand its Capacity to Meet Demand

- There are **~400% as many cancer patients** as there are **Cancer Institute beds**
- **UP-PGH treats 70,000 outpatients** for cancer each year

Improved Cancer Control is a National Priority

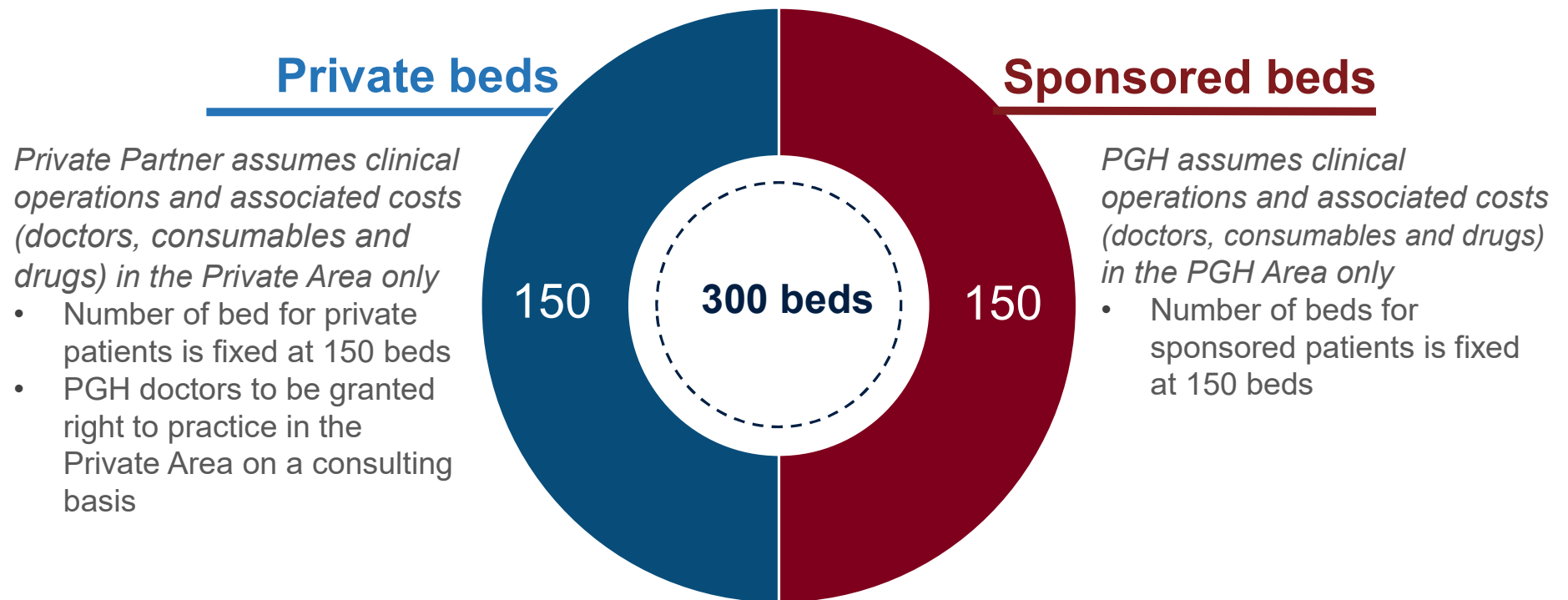
- **National Cancer Prevention and Control Act (2019)** identifies the need for dedicated, integrated cancer centers
- The Act **identifies the use of PPPs** to deliver cancer care infrastructure and improved oncological services

PPP Structure – 30-Year Built-Transfer-Operate (BTO) Mixed PPP under the BOT Law



- **Design, Financing, Construction, and Commissioning** for the entire hospital building to be completed by the Private Partner
- **Site** provided at no cost
- **Equipment – initial, replacement, and maintenance** for the entire hospital fully managed by the Private Partner
- **Non-clinical services (cleaning, laundry, catering, facilities maintenance, security, etc.)** fully managed by the Private Partner
- **Commercial activities (F&B, etc.)** fully managed by the Private Partner
- **Clinical services:** Two independently managed distinct areas within the same hospital building -
 - (i) Private Area for private self-paying patients managed by the Private Partner, who retains full demand risk and revenues earned
 - (ii) PGH Area for sponsored patients managed by PGH
- **Teaching** through curriculum provided by PGH in the PGH Area, with observation learning only within Private Area

Patient Mix – 150 Sponsored beds + 150 Private beds



Private Partner assumes clinical operations and associated costs (doctors, consumables and drugs) in the Private Area only

- Number of bed for private patients is fixed at 150 beds
- PGH doctors to be granted right to practice in the Private Area on a consulting basis

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- Number of beds for sponsored patients is fixed at 150 beds

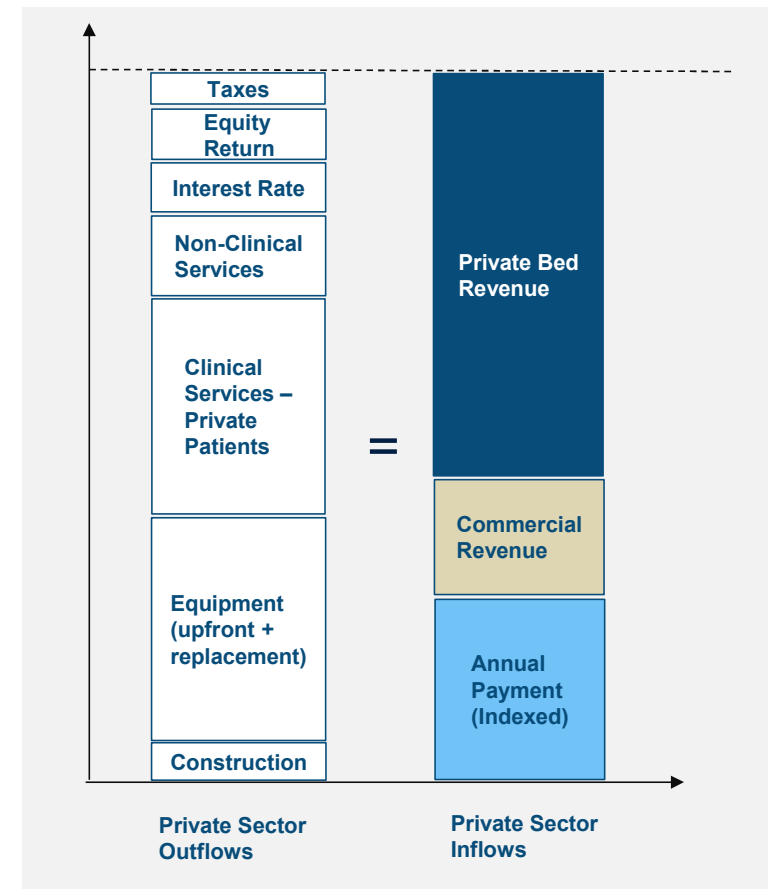
This will not alter the current public-private bed mix at PGH current model, as private beds are merely shifted from the existing pool (~30% of PGH beds are “pay ward”) into the new facility.

Private Partner Payment Scheme

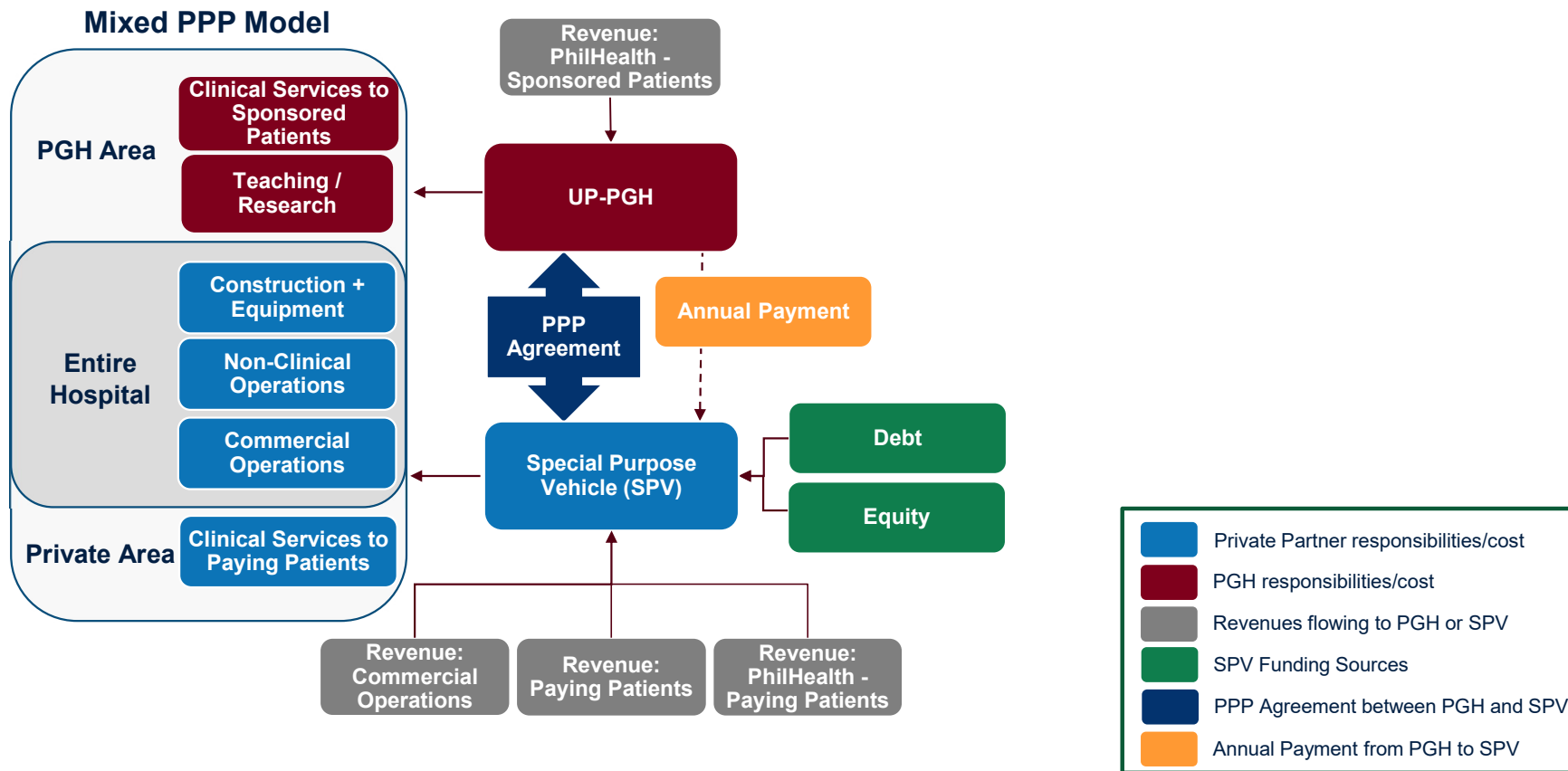
Sources of revenue over 30-year concession period:

1. **Annual Payment (“AP”)** from PGH to the Private Partner for repayment of provided infrastructure, equipment and non-clinical services over the operating period
2. **Commercial activities**, including food and beverage, parking, convenience stores
3. **Private self-paying patient revenues**, with an average target socio-economic market of ‘level “B” and “C”’*
 - a. **Philippine Health Insurance Corporation (PhilHealth)** social insurance payments
 - b. **Private insurance** payments
 - c. **Out of pocket** payments

Revenues earned from clinical services provided to private paying patients, as well as other relevant commercial activities, serve to allow the Private Partner to lower its proposed AP bid



Structure and Flows



A strategic opportunity for health investors

Ability to leverage the UP-PGH ecosystem and be exposed to the forefront of research activities

Stable Annual Payment and diversified revenue potential from paying beds and commercial activities, with flexibility granted in service scope and delivery

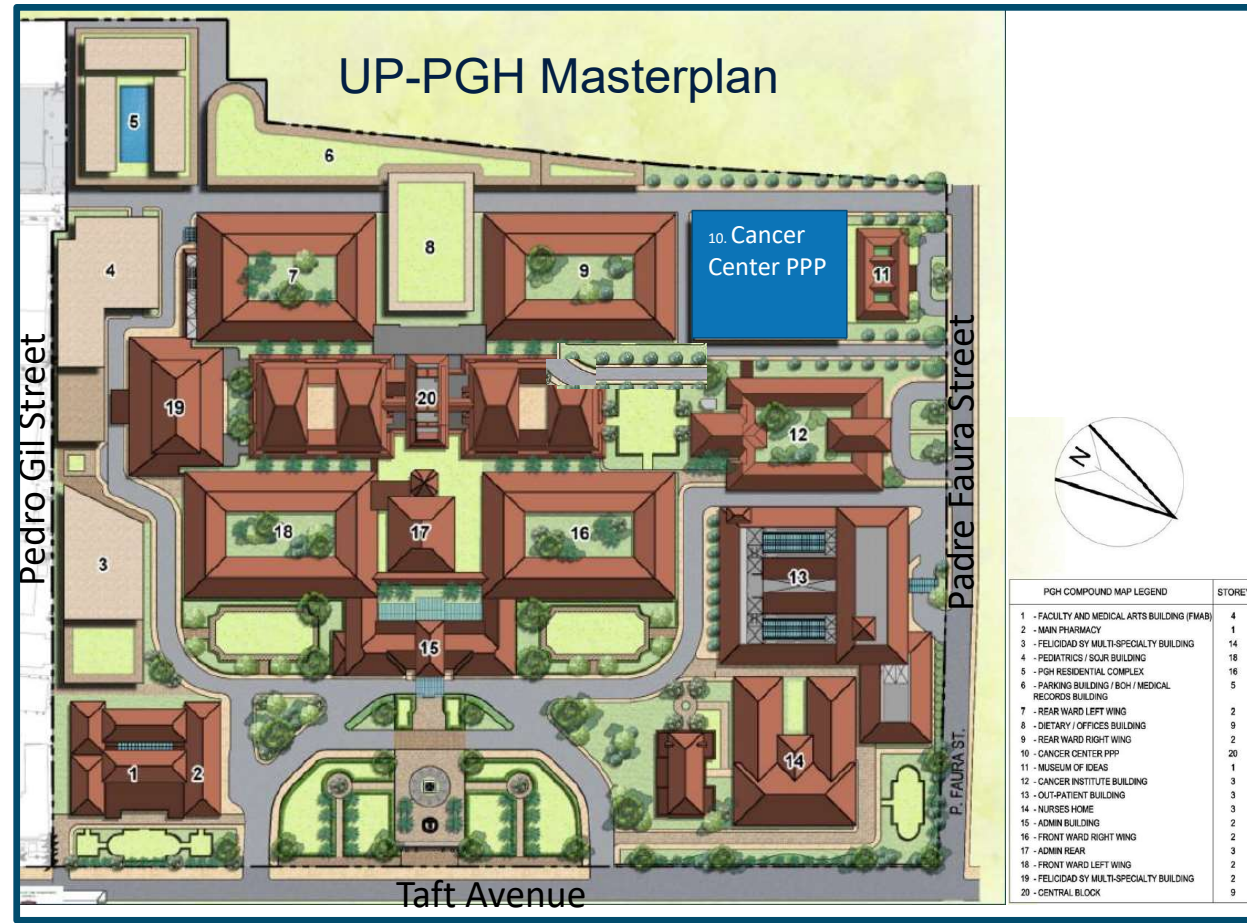
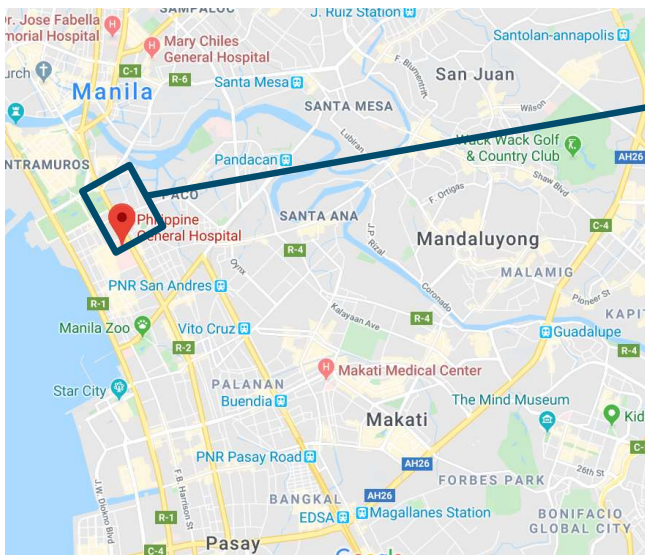
UP-PGH Cancer Center PPP

Access to UP-PGH doctors, which are highly reputed and qualified, and have a well-established patient base

Strategic location in a densely populated area of Metro Manila, with the plot in the UP-PGH campus provided at no cost

Location – PGH Metro Manila Campus

- Earmarked plot within PGH campus in Ermita, Metro Manila, corner Padre Faura Street (14° 34'42.4"N 120° 59'04.0"E)
- Land owned by PGH



Sizing and Scope

Plot Area ~3000 m²

**150 sponsored beds plus
150 private beds**

**3 LINAC bunkers required
in the PGH Area**

~15-20 storey building

~350 parking spaces

~1000 m² commercial

- **Radio oncology**
(LINAC,
Brachytherapy, PET
CT, Mammography)
- **Imaging and
radiology** (X ray,
USG, CT scan, MRI)
- **Medical oncology**
(Chemotherapy)
- **Surgical oncology**
- **Support PGH
teaching & research**



Indicative rendition only. Private Partner to propose design in accordance with PGH Master Plan guidelines

Indicative Design and Equipment Specifications

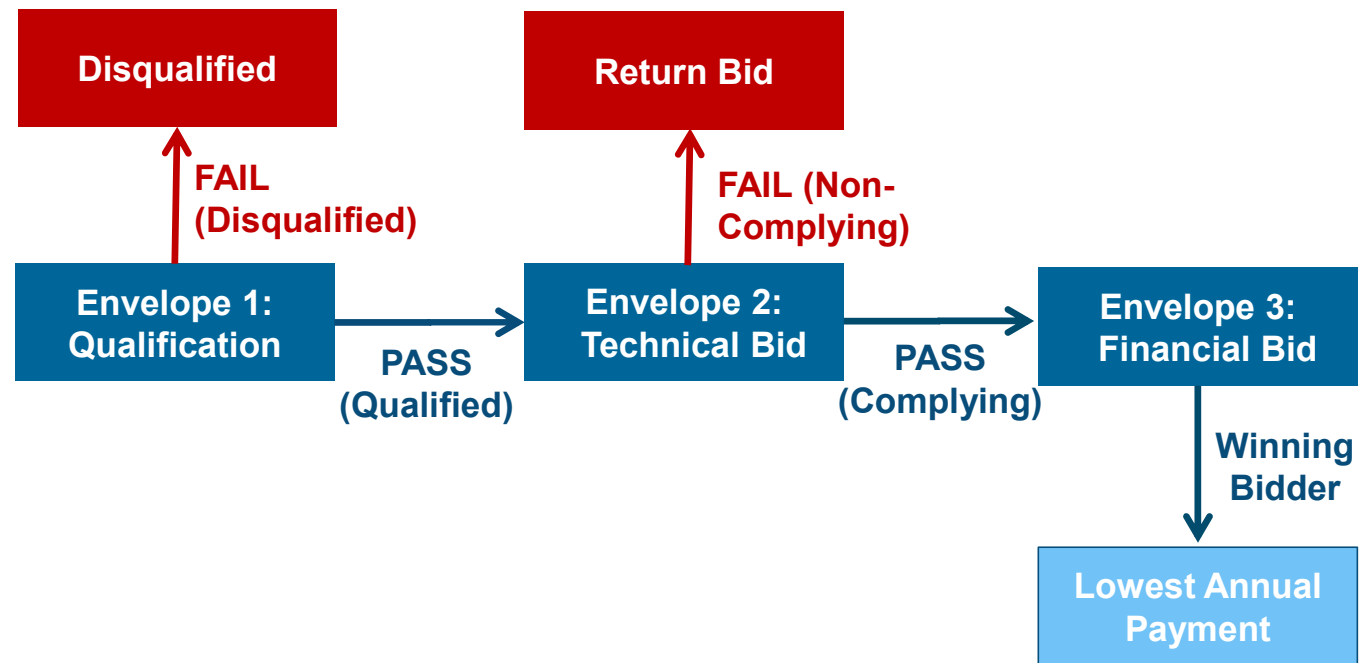
300 beds

-	TR	Terrace Level (Roof)
18	L13	In Patient Rooms – Twin Sharing & Private Rooms
17	L12	
16	L11	
15	L10	
14	L 9	In Patient Floors – Patient Wards (combination of Beds & Recliners)
13	L 8	
12	L 7	
11	L 6	
10	S 2	Service Floor – HVAC systems, electrical & plumbing services
9	L 5	OT Complex, Post Operative, Support Services
8	L 4	Minor OT Complex, ICU & Support Services
7	L 3	Day Care, Step Down Units & Support Services
6	L 2	Radiology, CT Scan, MRI Scan & Radio Diagnostic
5	L 1	Registration, Main Waiting, OPD, Exam Rooms
4	P 3	Parking
3	P 2	
2	P 1	
1	S 1	Service – Parking and Commercial Rent
G	G	LINAC Bunkers, Front Desk, Lifts

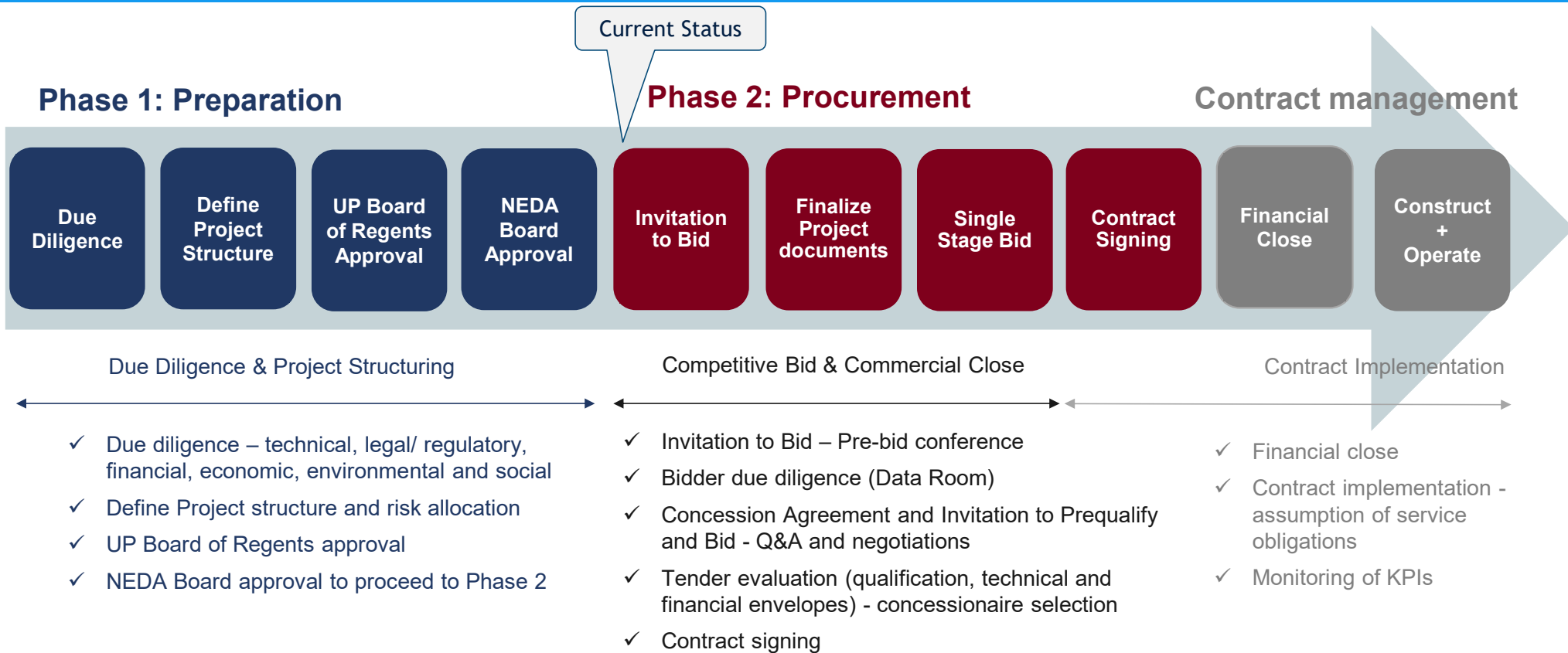
Equipment	Specification
Radio Oncology	
Linear Accelerator	High Energy
Brachytherapy	HDR Brachytherapy, 24 channel
PET CT	PET CT
Mammography	Digital
Imaging and Radiology	
X ray	Digital
USG	High end
CT scan	64 slice
MRI	1.5T

Tender Process – Single Stage Bid

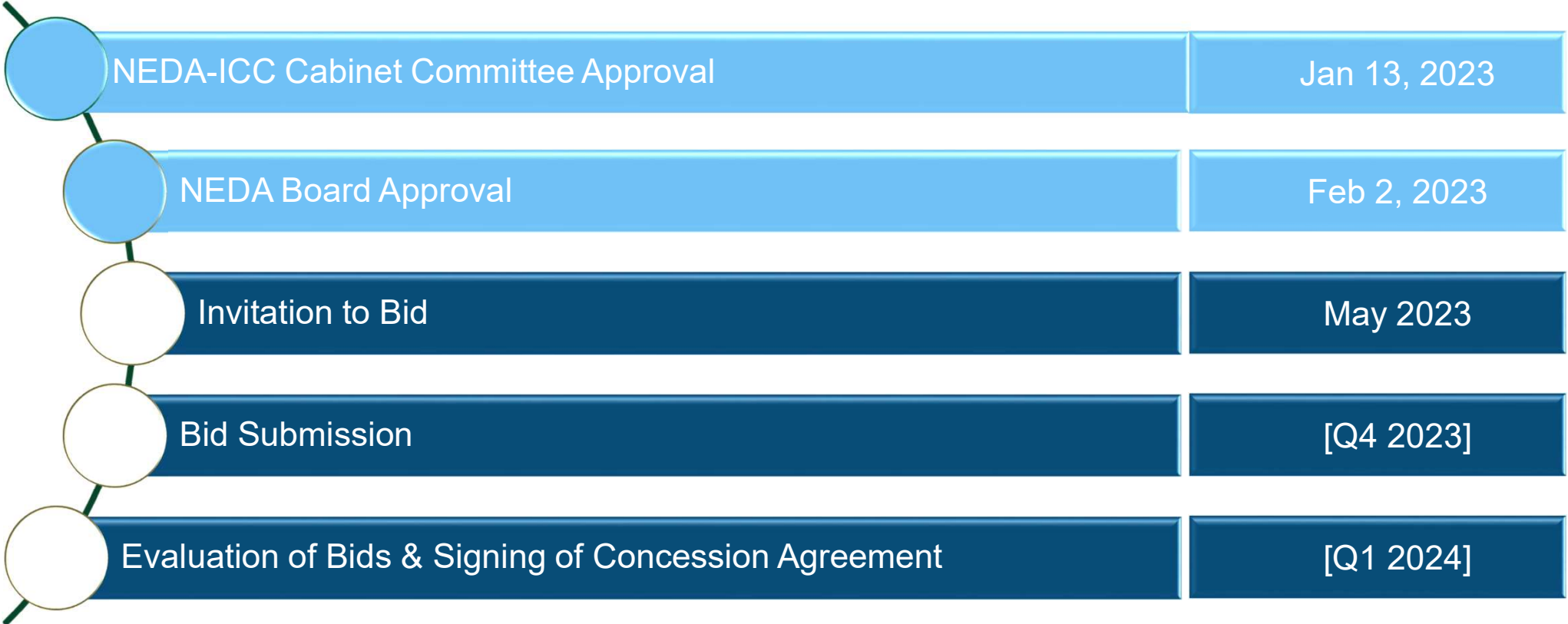
- Bidders will submit at the same time 3 envelopes:
 1. Pre-qualification documents
 2. Technical Bid
 3. Financial Bid
- Prequalification and technical bids evaluated on a **pass/fail** basis
- **Winning Bidder** determined based on lowest required Annual Payment



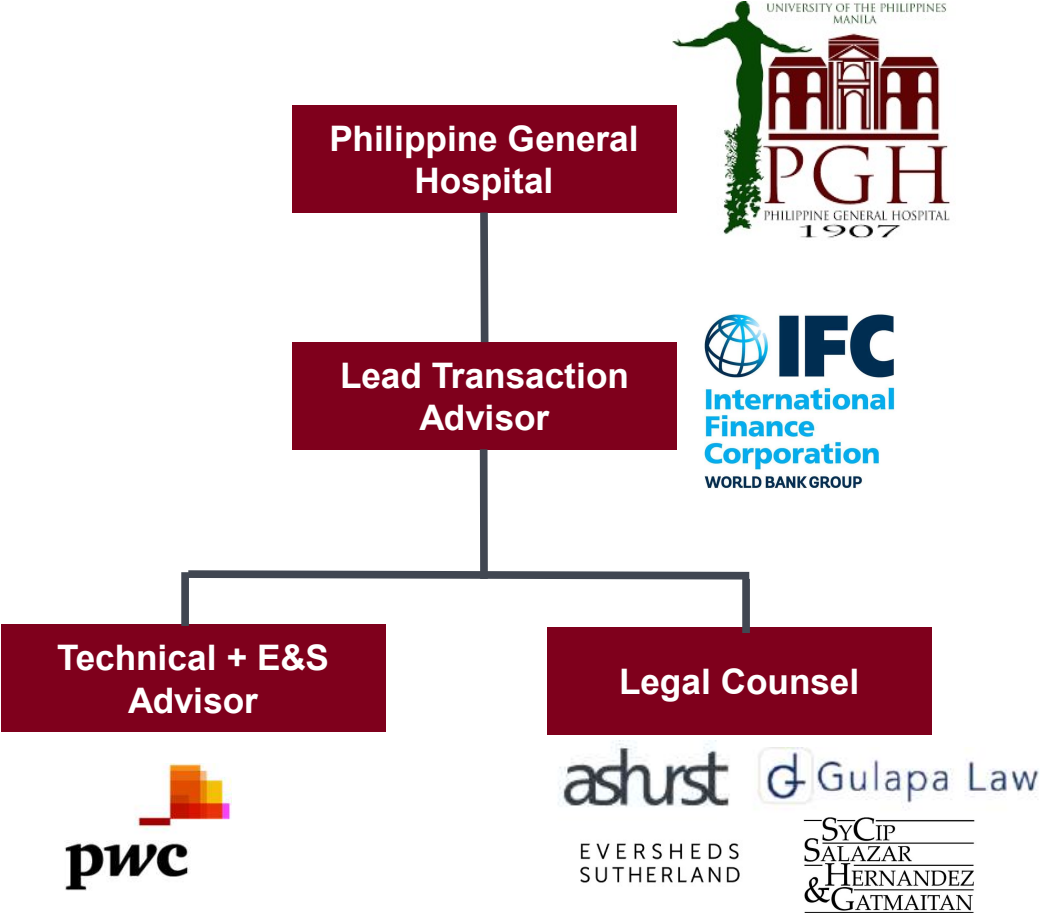
Project Steps



Indicative Timeline



Transaction Advisory Team





UP-PGH
Cancer
Center
PPP

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