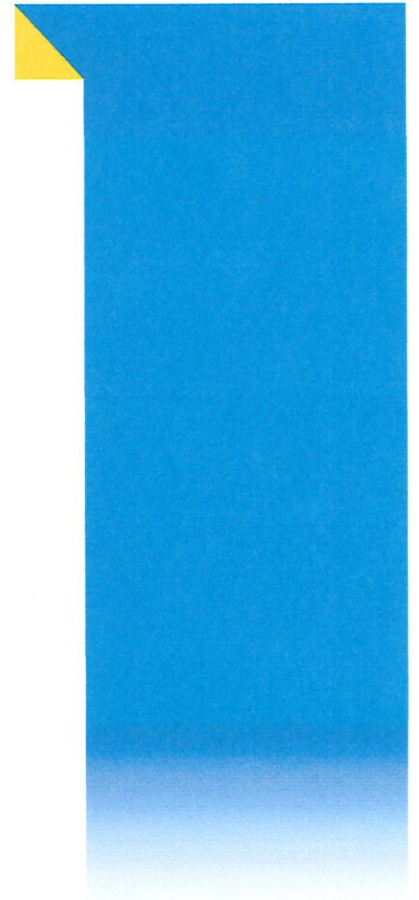


# FEASIBILITY STUDY

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## Allied Care Experts (ACE) Medical Center — Zamboanga City, Inc.

September, 2022



## Table of Contents

EXECUTIVE SUMMARY	1
ACE MEDICAL CENTER- ZAMBOANGA CITY, INC	
1. THE PROJECT	1
1.1 Project Description	1
1.2. Project Objectives	2
1.3. Target Segments	2
1.4. Overview of Zamboanga City and Zamboanga Peninsula's Economy	2
1.4.1. GDP Growth	2
1.4.2. Inflation Rate	3
1.4.3. Unemployment Rate	3
1.5. Key Highlights of Zamboanga City	3
1.6. Key Investment National Priorities	4
1.7 Target Population	4
1.7.1. Population Growth Rate of Zamboanga City and Zamboanga Peninsula	4
1.8 Proposed Services	5
1.9. Market Size Analysis	6
1.10 Price Analysis and Pricing Policy	6
1.11. Competitors	7
1.12. Required Human Resources	9
1.13. Project Site Analysis	9
1.14. Hospital Classification	12
1.15. Hospital Distribution in Zamboanga City and Zamboanga Peninsula	12
1.16. Bed Population Analysis	12
1.17. Financial Analysis	14
1.18. Conclusion	14
1.18.1. Market Analysis	14
1.18.2 Technical Analysis	15
1.18.3. Financial Analysis	15
1.19. Recommendations	16
2. MARKET ANALYSIS	16
2.1. Project Description	16
2.2 Project Objectives	17
2.3. Target Segments	17
2.4. Overview of Zamboanga Peninsula's Economy	17
2.4.1. Major Economic Indicators	21
2.5. Investment client in Zamboanga City & Zamboanga Peninsula Region	23
2.6. Target Population	25
2.7. Proposed Services	27
2.8. Market Size Analysis	28
2.9 Capacity of the Project	29
2.10.1 Service Revenue	29
2.10.2. Price Analysis and Pricing Policy	29
2.11. Projected Revenues	31
3. TECHNICAL ANALYSIS	32
3.1. Required Human Resources	32
3.1.1. Organization Structure or Configuration	32

3.2. Project Site Analysis	41
3.3. Key Highlights of Zamboanga City	42
3.4. Hospital Classification	43
3.4.1. According to ownership	43
3.4.2. According to Functional Capacity	44
3.5. Site Development Plan	45
3.5.1. Good Practices	45
3.5.2. Space Requirements.	48
3.6. Description of Services	50
3.7. Technical Requirements	58
<b>4. BED POPULATION ANALYSIS</b>	<b>58</b>
<b>5. FINANCIAL ANALYSIS</b>	<b>62</b>
5.1. Bank Loan Terms	63
5.2. Summary of Financial Information	64
5.2.1. Financial Condition-December 31, 2021 vs. December 31, 2020	64
5.2.2. Financial Condition-December 31, 2020 vs. December 31, 2019	65
5.2.3. Financial Condition-December 31, 2019 vs. December 31, 2018	67
5.3. Summary of Financial and Operating Information	69
5.4. Financial Indicators-Projected Revenues	71

#### **List of Figures**

Figure 1. Performance of Regional Economies, Growth Rates	2
Figure 2. Bed to Population ratio in Asean and Selected Geographical Locations, Latest Available Year.	13 & 59
Figure 3. Number of Hospital Beds, Philippines, 1990-2018.	13 & 59
Figure 4. Average Regional Share in GDP 2010-2015	17
Figure 5. Regional Spatial Strategy of Zamboanga Peninsula Region	25
Figure 6. Location Map of the Project	42

#### **List of Tables**

Table 1. Year-on-Year Inflation Rates for Zamboanga City, All Items In Percent	3 & 22
Table 2. Total Population Based on Various Censuses- Region IX	4 & 26
Table 3. Total Population By Province/Highly Urbanized Cities	5 & 26
Table 4. Market Share of ACE- Zamboanga City, Inc.	6 & 28
Table 5. Financial Forecast of ACE Medical Center – Zamboanga	14 & 63
Table 6. Gross Regional Domestic Product – Annual 2019 to 2021 at Current Prices (in Thousands) (As of April 2022)	18
Table 7. Zamboanga Peninsula, Gross Regional Domestic Product, by Industry	19
Table 8. Zamboanga Peninsula, Gross Regional Domestic Product, by Industry	19
Table 9. Zamboanga Peninsula, Gross Regional Domestic Product, by Industry	20
Table 10.	27
Table 11.	27
Table 12. Service Revenue	29 & 72
Table 13. Sample Price Range for Medical Services of Hospitals in the Zamboanga Peninsula Region	31

Table 14. Projected Revenues during the First 10 Years of Operations (2022-2031)	31 & 72
Table 15. The Required Labor for the Project	33
Table 16. Hospital Classification According to Functional Capacity	44
Table 17. Hospital Classification According to Functional Capacity by Level	44
Table 18. Supply and Need for Level 1 Hospital Beds	60
Table 19. Supply and Need for Level 2 Hospital Beds	61
Table 20. Supply and Need for Level 3 Hospital Beds	61
Table 21. Name of Debtor	63
Table 22. Notes	63
Table 23. Assets	64
Table 24. Assets	66
Table 25. Assets	67
Table 26. Consolidated Statements of Income Data	69
Table 27. Consolidated Statements of Financial Position Data	70
Table 28. Cash Flow Data	71

## **EXECUTIVE SUMMARY**

ACE Medical Center – Zamboanga is a private healthcare institution initiated by a group of doctors and non-medical incorporators. It is a 1.5-billion-peso venture that aims to establish a modern, state-of-the-art and technologically-advanced healthcare facility in the region. This 8-story facility shall house the 177-bed capacity hospital with multi-specialty departments. The birth of the medical center shall bring about significant new face of healthcare services in Zamboanga peninsula and Basulta.

ACE Medical Center – Zamboanga was founded in 2015 by group of specialists from Manila & Zamboanga. Equipped with zeal and passion in providing a state of the art and specialized health services and with competence in provision of medical services and management by majority of the incorporators had established the first of its kind healthcare facility in the region.

The group initially composed of 46 consultants from Manila and Zamboanga City, experienced & competent non-medical staff had opened the venture with stock or shareholders. Over the past years, the company gradually attracted more shareholders which made the realization of the dream to put up the hospital possible. Premier Medical Center Zamboanga City would gradually travel through growth and development.

Competition in the hospital industry is very strong owing mainly due to the increasing number of new hospitals constructed and operational. There are several competitors within the Zamboanga Peninsula which have been operational for a long period of time. There are also seven (7) DOH regional hospitals in the Peninsula.

However, due to a low hospital bed to patient/person ratio and increasing population growth in the region, the Project remains to be very much viable in terms of capacity and profitability.

## **ACE MEDICAL CENTER- ZAMBOANGA CITY, INC.**

### **I. THE PROJECT**

#### **1.1 Project Description**

ACE Medical Center-Zamboanga City, Inc. was established to maintain, operate, own, and manage hospitals, medical and related healthcare facilities, and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo hospitals, scientific research, and other allied undertakings and services which shall provide medical, and services surgical, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical or surgical services shall be performed

by duly qualified physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

ACE Medical Center Zamboanga will be a 8-story 177-bed capacity hospital, constructed in 20,165.35 sqm. property located in Zamboanga City, along Don Alfaro Street, Barangay Tetuan.

**1.2. Project Objectives**

It is the mission of ACE Medical Center - Zamboanga to set up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic, and holistic approach to its goal of providing the best quality and justifiable medical services to its clients and stakeholders. It will be a multidisciplinary specialty medical facility that will house medical specialists who are subscribers to the capital stock of the Corporation.

**1.3. Target Segments**

The residents of Zamboanga City, Zamboanga Peninsula Region, and Mindanaos in general.

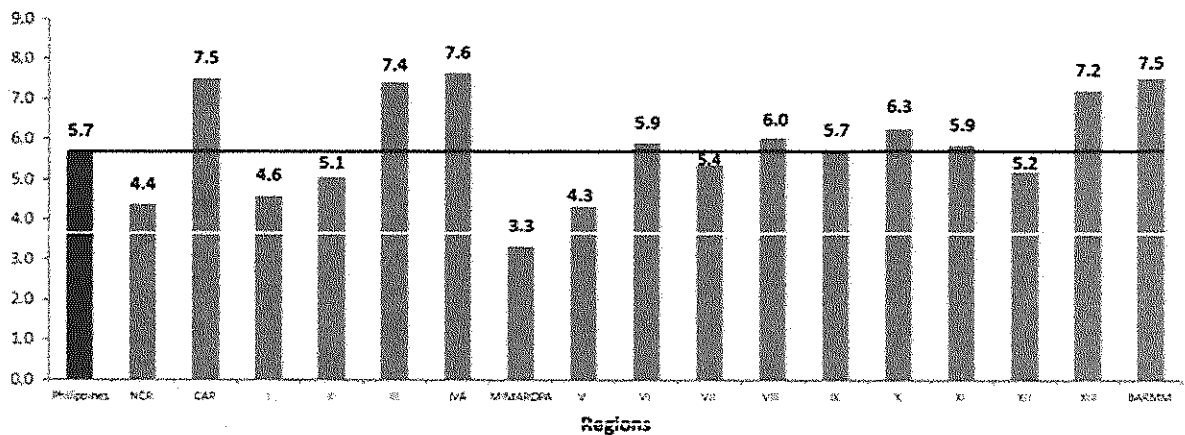
**1.4. Overview of Zamboanga City and Zamboanga Peninsula’s Economy**

**1.4.1. GDP Growth**

The Zamboanga Peninsula is one of eight regions in the country last 2021 whose Gross Domestic Product (5.7%) recorded higher positive growth compared to the national level.

**FIGURE 1: Performance of Regional Economies, Growth Rates**

Figure 1: Performance of Regional Economies, Growth Rates, 2020-2021  
At Constant 2018 Prices (in Percent)



Source: psa.gov.ph. <https://psa.gov.ph/grdp/grdp-id/167338>

### 1.4.2. Inflation Rate

Zamboanga City's inflation rate of 7.4 % is comparatively lower than Zamboanga Peninsula's (Region IX) inflation rate of 9.1% as of August 2022.

**Table 1. Year-on-Year Inflation Rates for Zamboanga City, All Items in Percent**

Area	August 2021	July 2022	August 2022	Year to date *
Region IX	2.4	8.3	9.1	5.9
<b>Zamboanga City</b>	2.4	7.0	7.4	4.9

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index Philippine Statistics Authority

\* Year-on-year change of average CPI for January to August 2022 vs. 2021

The acceleration in Zamboanga City's inflation rate in August 2022 was primarily influenced by the higher annual growths in the *Housing, water, electricity, gas and other fuels* index at 10.5 percent, and *Alcoholic beverages and tobacco* index at 9.6 percent. The other commodities that also contributed to the upward trend of the headline inflation for August 2022.

- a. *Education services*, 6.1 percent
- b. *Recreation, Sport and Culture*, 3.9 percent
- c. *Personal Care and Miscellaneous Goods and Services*, 2.8 percent
- d. *Furnishing, Household Equipment and Routine Household Maintenance*, 2.7 percent
- e. *Health*, 2.0percent

Meanwhile inflation rates decelerated for *Food and Non-Alcoholic Beverages* and *Transport indices* at 8.0 percent and 12.0 percent, respectively.

[Source: Summary of Inflation Report for Zamboanga, Consumer Price Index August 2022, <http://rroso09.psa.gov.ph/sites/default/files/ZC%20signed%20pdf.pdf>]

### 1.4.3. Unemployment Rate

The unemployment rate of Zamboanga Peninsula Region is at 4.3% of the labor force of 2.668 million as of April 2019.

Source: Quickstat. Region IX- Zamboanga Peninsula (as of February 2020), <http://rroso09.psa.gov.ph/sites/default/files/Zampen%20QUICKSTAT%20February%202020.pdf>

## 1.5. Key Highlights of Zamboanga City

Zamboanga City is classified as a highly urbanized city on November 22, 1983. The total land areas of the city is 151,575.52 hectares of 1,515.75 square kilometer with population

of 977,234. Zamboanga City is the 6<sup>th</sup> most populous in the Philippines and the 2<sup>nd</sup> most populous in Mindanao after Davao City. Zamboanga City is the commercial and industrial center of the Zamboanga Peninsula Region.

Zamboanga City continues to be the center of trade, commerce, transportation, communication, education, technology, tourism, and religion in the Zamboanga peninsula.

## 1.6. Key Investment National Priorities

Under the Philippines 2022 Strategic Investment Priority Plan (2022 SIPP) issued by the Board of Investments and approved by then President Rodrigo Duterte on 24 May 2022, the government grants various incentives to investors intended to spur the economy and develop strategically important industries. The SIPP gives priority to health care related activities focused on upgrading the country's value chains.

## 1.7 Target Population

### 1.7.1. Population Growth Rate of Zamboanga City and Zamboanga Peninsula

The City of Zamboanga, the only highly urbanized city in the region, posted a population of 977,234 persons.

The population of Region IX - Zamboanga Peninsula as of 01 May 2020 is 3,875,576 based on the 2020 Census of Population and Housing (2020 CPH). This accounts for about 3.55 percent of the Philippine population in 2020.

**Table 2. Total Population Based on Various Censuses- Region IX**

Table 1. Total Population Based on Various Censuses:  
Region IX - Zamboanga Peninsula

Census Year	Census Reference Date	Total Population
2000	May 1, 2000	2,831,412
2010	May 1, 2010	3,407,353
2015	August 1, 2015	3,629,783
2020	May 1, 2020	3,875,576

Source: Philippine Statistics Authority



**Table 3. Total Population By Province/Highly Urbanized Cities**

Table 3. Total Population by Province/Highly Urbanized City Based on Various Censuses: Region IX - Zamboanga Peninsula

Province/Highly Urbanized City	Total Population			
	2000	2010	2015	2020
Zamboanga del Norte	823,130	957,997	1,011,393	1,047,455
Zamboanga del Sur	836,217	959,685	1,010,674	1,050,668
<i>City of Zamboanga</i>	601,794	607,129	661,799	977,234
Zamboanga Sibugay	497,239	584,685	633,129	669,840
<i>City of Isabela*</i>	73,032	97,857	112,788	130,379

\* Component City of the Province of Basilan, BARMM

Source: Philippine Statistics Authority

Source: *Highlights of the Region IX (Zamboanga Peninsula) Population 2020 Census of Population and Housing (2020 CPH)*, 23 August 2022, <https://psa.gov.ph/population-and-housing/node/165011>

### 1.8 Proposed Services

The approach of ACE Medical Center Zamboanga is the establishment of a policy-driven healthcare facility that ensures safe and quality care including state of the art Operating Room Unit, first-in-the-city Eye Center and Dental Center inside the building.

The hospital consists of the following main departments:

- DEPARTMENT OF INTERNAL MEDICINE
- DEPARTMENT OF OBSTETRICS AND GYNECOLOGY
- DEPARTMENT OF PEDIATRICS
- DEPARTMENT OF SURGERY
- DEPARTMENT OF ANESTHESIA
- CLINICAL PATHOLOGY DEPARTMENT
- RADIOLOGY DEPARTMENT
- INFECTION CONTROL DEPARTMENT
- EMERGENCY DEPARTMENT
- REHABILITATION MEDICINE AND PHYSICAL THERAPY
- PULMONARY DEPARTMENT
- OUT-PATIENT DEPARTMENT
- ADMINISTRATIVE DEPARTMENT
- BILLING SECTION
- PHARMACY / THERAPEUTICS DEPARTMENT
- CENTRAL SUPPLIES DEPARTMENT
- PSYCHIATRY DEPARTMENT

### 1.9. Market Size Analysis

The medical services to be provided is not directly linked to any demographic age or classification of the population, but the hospital will target the entire provincial market of persons who avail of medical benefits from Philhealth Insurance Corp. and other HMOs, among others. Continued local population growth will provide increasing demand for these services as well as additional demand from other provinces in the region. Thus, the project encompasses a wider scope in taking care of those outside of Zamboanga City in order to obtain appropriate medical treatment.

The study assumes a 1.19% market share in terms of population in Zamboanga City and neighboring provinces. For a baseline of 46,120 projected clients/patients, a daily average client/patient of the Hospital will be 126 per day for a hospital with bed capacity of 177 rooms with an equivalent occupancy rate of 71%. This only shows that the study used a very low conservative estimate for its market share.

**Table 4. Market Share of ACE- Zamboanga City, Inc.**

Area	Population	Assumptions	
		On 60%	On 1.19%
Zamboanga City	977,234	586,340	11,629
Zamboanga Del Norte	1,047,455	628,473	12,465
Zamboanga Del Sur	1,050,688	630,413	12,503
Zamboanga Sibugay	669,840	401,904	7,971
City of Isabela	130,379	78,227	1,552
Total	3,875,596	2,325,357	46,120

### 1.10 Price Analysis and Pricing Policy

During the first few years of hospital operations, the suggested prices for the hospital services will be based on local prevailing market prices or standards while the development and upgrading of services will continue to be undertaken.

The following are basis for domestic prices that were relied upon in the feasibility analysis of the project.

- Average rate per stay in a general hospital is 3 days according to DOH statistics;
- it is assumed that the average rate per day in the private room is Php 1,500.00 per day or an average of Php 4,500.00 per confinement of 3 days.
- It is assumed that the average rate per day in the semi-private room is Php 1,100.00 per day or an average of Php 3,300.00 per confinement of 3 days.

- It is assumed that the average rate per day in a ward is Php 900.00 per day or an average of Php 2,700.00 per confinement of 3 days.
- It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
- It is assumed that the average rate for each patient who will undergo a minor operation is Php 25,000.00; Php 100,000.00 for major operations; and Php 200,000.00 for more severe and complicated operations.
- It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
- It is assumed that the pharmacy charges for an admitted patient is Php 2,500.00 per day of confinement and the pharmacy operations for outpatient medications at Php 1,000.00 per patient per day.

### 1.11. Competitors

The Hospital belongs to the industry which caters to the need of the public and medical practitioners for hospital facilities. The Hospital's competitors include the following:

**Zamboanga City Medical Center (ZCMC)**, known before as Zamboanga Regional Hospital, is a government owned hospital with authorized 800-bed capacity, ISO Certified for Quality Management System 9001:2015 Standard (International Organization for Standardization), caters Residency Trainings for physicians pursuing sub-specialties, COVID Facility, medical services hemodialysis, Help Emergency Management, Toxicology Unit, Multiple Drug Resistant (MDR) Treatment Center, TB-Dots Clinic, and other outpatient services. Located at Dr. Evangelista Street, barangay Sta. Catalina, Zamboanga City.

**Zamboanga Doctors' Hospital, Inc. (ZDH)** is the second private hospital in Zamboanga City that opened in 1966. To date, this hospital has a 150-bed capacity and planning to accommodate more to achieve 260. Offering in-patient and out-patient services, located at Veterans Avenue of the city.

**West Metro Medical Center (West Metro)** is a secondary-level private hospital located at Veterans Ave. Extension, Zamboanga City catering in-patient and out-patient services. As of 2015, the hospital has a capacity of 110 beds and ongoing construction of an annex will increase bed capacity to 190. It is operated by Metro Pacific Zamboanga Hospital Corporation (MPZHC) and a member of Metro Pacific Hospital Holdings, Inc. (MPHHI), one of the country's largest chain of private hospitals.

**Ciudad Medical Zamboanga (CMZ)** was established in 2001 by the Zamboanga Polymedic Hospital, Inc. that opened in 2003. CMZ is a partner of Mount Grace Hospitals, Inc. (MGHI), a private tertiary hospital operating with 160-bed capacity for in-patient

services and catering out-patient services as well with residency training program for physicians pursuing Internal Medicine specialty. Located at Mayor Vitaliano Agan Avenue, Zamboanga City.

**Zamboanga Peninsula Medical Center, Inc. (ZamPen)** is a level two general hospital employing approximately Four Hundred Eighty-Nine (489) staff. It started as Zamboanga Children's Hospital in 1999 catering the largest Pediatric care in the entire Zamboanga Peninsula. This hospital has One Hundred Ninety-Eight (198) bed capacity with Ancillary Services strategically available and of service to fully satisfy the needs of clients. Their rooms and other amenities are designed to deliver the comfort of the demands of the care.

**Hospital De Zamboanga (HDZ)** is a hospital with affordable quality care, caters inpatient and outpatient services located at Pilar Street, Zamboanga City beside Southern City Colleges.

**Zamboanga Puericulture Center Maternity Lying-in Hospital** caters 15-bed capacity with a vision of a globally competitive and wholistic Non-Government Organization, providing an integrated health care program and development, relevant education, and excellent delivery of socio-economic services. Located at P. Brillantes Street, Zamboanga City.

**Dr. Salvador Cabato Memorial Clinic** is a 10-bed capacity Level I hospital operated by Dr. Salvador Cabato, Jr. The hospital commenced operation in 1979 and managed by Dr. Salvador Cabato, Sr. located at Tetuan Highway, Zamboanga City.

**Universidad de Zamboanga Medical Center, Inc. (UZMC)** formerly Zamboanga Arturo Eustaquio Colleges (ZAEC)-Zamboanga Medical Center, is an affiliate, non-profit training institution of Universidad de Zamboanga's School of Allied Medicine. This hospital is located at San Jose Road, Zamboanga City.

**Brent Hospital and Colleges Inc. (Brent)** is a Level II tertiary hospital with 100-bed capacity as approved by the Department of Health (DOH), located along R.T. Lim Boulevard, offering services such as diagnostic and laboratory examinations, out-patient and in-patient services, emergency, surgery. The hospital is fully equipped with a centralize oxygen generator system.

**Labuan General Hospital**, previously known as the Labuan Public Hospital, is located in barangay Labuan-limpapa Road Zamboanga City. It is a Level II government-owned general hospital with authorized 100-bed capacity for general care services.

**Mindanao Central Sanitarium (MCS)** is a government owned 450-bed capacity and Department of Health (DOH) retained hospital that is ISO Certified for Quality Management System 9001:2015 Standard (International Organization for Standardization). Located at barangay Pasabolong, Zamboanga City, the sanitarium or "leper colony" more noted and known for the Mindanao Central sanitarium (MCS), was

formerly named Zamboanga Leprosarium has been the second home for thousands of leprosy patients and their families, and for many, their final destination.

### 1.12. Required Human Resources

The standards on organization structure and staffing pattern of government hospitals were considered in this Study. A total of at least 350 medical and non-medical staff/personnel will be available once the Hospital is fully operational sometime on the last quarter of 2022 or 1<sup>st</sup> quarter of 2023.

### 1.13. Project Site Analysis

ACE Medical Center Zamboanga will be an 8-story 177-bed capacity hospital, constructed in 20,165.35 sqm. property located along Don Alfaro Street, Barangay Tetuan, Zamboanga City. The Property where the Hospital is located are covered by Transfer Certificates of Title and Tax Declarations registered in the name of Allied Care Experts (ACE) Medical Center – Zamboanga City, Inc., enumerated as follows:

Transfer Certificate of Title No. (Land)	Tax Declaration No. (Land)
1) (Lot 1124-B-1) 129-2016003090	1) (Lot 1124-B-1) 1101008510654
2) (Lot 1124-B-2) 129-2016003091	2) (Lot 1124-B-2) 1101008510657
3) (Lot 1124-B-3) 129-2016003089	3) (Lot 1124-B-3) 1101008510658
4) (Lot 1124-B-4) 129-2016003097	4) (Lot 1124-B-4) 1101008510659
5) (Lot 1124-B-5) 129-2018004145	5) (Lot 1124-B-5) 1101008503155
6) (Lot 1124-C-1) 129-2020000224	6) (Lot 1124-C-1) 1101008530024
7) (Lot 1124-C-2) 129-2020000271	7) (Lot 1124-C-2) 1101008530044
8) (Lot 1124-C-3) 129-2020000225	8) (Lot 1124-C-3) 1101008530069
9) (Lot 1124-C-4) 129-2020000268	9) (Lot 1124-C-4) 1101008511101

As of July 2022, the hospital's structural works is at 100%, masonry works 100%, architectural works 94%, mechanical works 97%, electrical works 93%, sanitary plumbing works 96%, and fire protection works 97%. Estimated to be completed on or before January 2023.

The hospital will have the following facilities:

**Basement Area** (2,036 square meters)

47 Parking Slots with Motorpool for Ambulance  
212 Open Parking  
Pharmacy Central Supply Bulk Storage  
Laundry & Linen Sorting & Office  
Sewage Treatment Monitoring Room

**Ground Floor** (2,036 square meters)

Admitting & Social Services  
Emergency Room  
Laboratory  
Radiology Unit  
Pharmacy & Central Supply Room  
Billing & Cashier/Philhealth/HMO

**Second Floor** (1,896 sq.m.)

Operating/Delivery Room Complex  
Intensive Care Unit (ICU)  
Endoscopy Unit  
Neonatal Intensive Care Unit (NICU)  
Cath Lab Complex

**Third Floor** (1,896 sq.m.)

16 Bed Dialysis Center  
Diagnostic Unit  
Pulmonary Clinic  
Eye Clinic  
32 OPD Clinics  
Eye Clinics  
Oncology Clinic

**Fourth Floor** (1,896 sq.m.)

Rehab Therapy Center  
Cardio Center  
Wellness Unit  
32 OPD Clinics  
1 Dental Clinic  
52-Seat Chapel

**Fifth Floor (1,896 sq.m.)**

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Sixth Floor (1,896 sq.m.)**

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Seventh Floor (1,896 sq.m.)**

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Eighth Floor (1,896 sq.m.)**

Administrative Offices  
Board Room  
Accounting & Treasury  
Medical Records Room  
4 Department Heads Room  
Family Medicine Room  
40 Seats Nurse Training & Chief Nurse  
Auditorium/Function Room  
Dietary Unit

The location of the Hospital is strategically located in Zamboanga City and is directly accessible by public transportation. The ease of access to the Hospital is beneficial not only to the patients/clients but also to the medical and non-medical personnel.

#### **1.14. Hospital Classification**

ACE Medical Center – Zamboanga will be initially classified as a level 2 private general hospital. It is the mission of ACE Medical Center - Zamboanga to set up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic, and holistic approach to its goal of providing the best quality and justifiable medical services to its clients and stakeholders.

Tertiary Hospital (Level 3) is a hospital that provides tertiary care, which is health care from specialists in a large hospital after a referral from primary care and secondary care. Tertiary Hospitals offer training programs for doctors who want to go into specialization.

#### **1.15. Hospital Distribution in Zamboanga City and Zamboanga Peninsula**

There are 7 Department of Health (DOH) or government hospitals in Region IX, including Zamboanga City. As of 2020, the total authorized bed capacity is 1,172 and the total implementing bed capacity is 944 as of 2019.

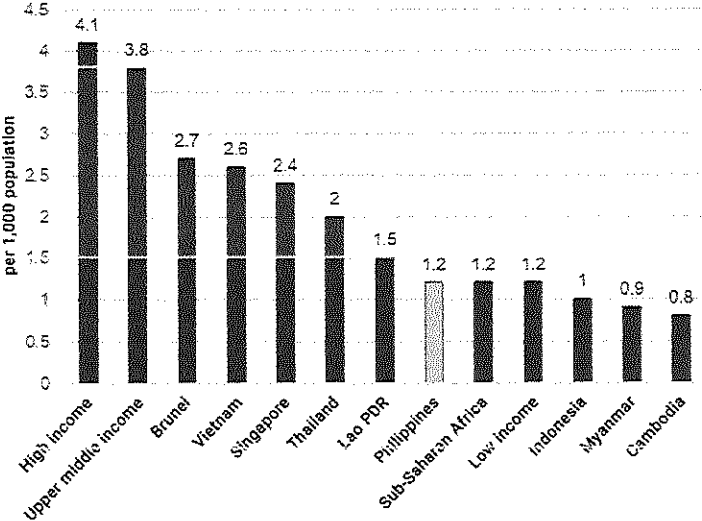
#### **1.16. Bed Population Analysis**

An indicator of health service availability is the number of hospital bed capacity. It is also indicative of how equitable is the access to health facilities in the region.

Hospitals are scarce as highlighted under the Philippine Health Facility Development Plan 2020-2040. In 2018, there were 1,200 licensed hospitals in the country. While the number of hospital beds has increased over the years, it has not kept pace with the fast-growing population. The current bed to population ratio (1.2 bed per 1000 population) is comparable to those of the poorest countries in the world (World Bank, 2020) (see Figure \_\_\_).

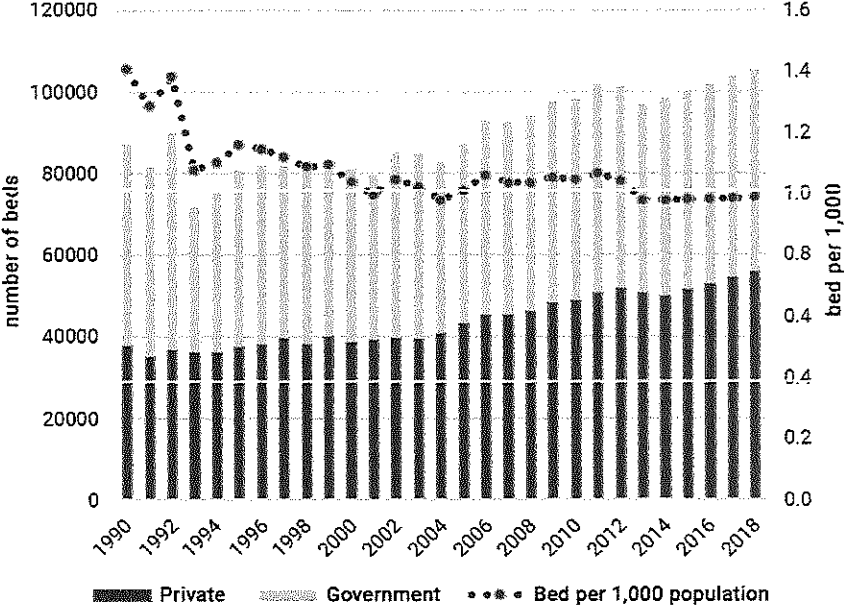


**Figure 2. Bed to Population ratio in Asean and Selected Geographical Locations, Latest Available Year.**



The number of private beds has increased over the years, from 4,000 in 1990 to 6,000 in 2018 (green bar), but the bed to population ratio has declined because of the slow growth of public beds and the rapid population growth (see Figure \_\_).

**Figure 3. Number of Hospital Beds, Philippines, 1990-2018.**



Different levels of hospital care are limited in some provinces and regions. All provinces and HUC/ICCs should have at least Level 1 and 2 hospitals. However, of the 114 provinces and HUC/ICCs, 6 (5%) and 33 (29%) lack Level 1 and 2 hospital beds, respectively.

According to the Philippine Health Facility Development Plan 2020-2040, the country has 105,000 hospital beds or 1.2 per 1,000 population. To meet the health needs of the population, the current supply of hospital beds must increase to 2.7 per 1,000 population. The gap in hospital beds may be addressed by building new hospitals or by expanding existing hospitals or infirmaries.

**1.17. Financial Analysis**

ACE Medical Center – Zamboanga will have a total project construction cost of Php 1,200,000.00. Since incorporation, the Hospital is primarily focused in the construction of the hospital building and purchase of medical equipment. The Hospital intends to start its operations on the last quarter of 2022 until the first quarter of 2023.

The Project will generate revenue from year 2023 to 2032 (Table \_\_) as it expects to be operational on the last quarter of 2022 until the 1<sup>st</sup> quarter of 2023.

On the first year of operations, the Project will be generating a gross revenue of Php 862,308,000.00. On 2032, the projected gross revenue is Php 6,424,695,253.32, with an annual increase rate of 1.25 (25%). The 25% increase rate is based on the relatively conservative increase in revenues of other hospitals in the Region.

The Hospital may generate a projected total gross revenue of Php 28,674,244,266.60 during the first 10 years of its operations.

**Table 5. Financial Forecast of ACE Medical Center – Zamboanga**

<b>Indicator</b>	<b>Details</b>
Total Investment Cost	Php 1,200,000.00
Job Allocation	350 medical and non-medical personnel
Total Revenue First Year	Php 862,308,000.00
Total Revenue First Year – Year 10	Php 28,674,244,266.60

**1.18. CONCLUSION**

**1.18.1. MARKET ANALYSIS**

1. ACE Medical Center – Zamboanga will primarily cater to residents of Zamboanga City and neighboring provinces in the Zamboanga Peninsula Region. The strategic location of the Hospital in Zamboanga City is favorable to its operations.

2. The total population in Zamboanga Peninsula Region is 3,875,596. The present study assumes that ACE Medical Center – Zamboanga will get a 1.19% market share or equivalent to 46,120 patients with a daily average patient/client admission of 126 per day for a 177 hospital bed capacity.
3. The average period of confinement or admission is three days.
4. The forecasted hospital pricing are as indicated below
  - Average rate per stay in a general hospital is 3 days according to DOH statistics;
  - It is assumed that the average rate per day in the private room is Php 1,500.00 per day or an average of Php 4,500.00 per confinement of 3 days.
  - It is assumed that the average rate per day in the semi-private room is Php 1,100.00 per day or an average of Php 3,300.00 per confinement of 3 days.
  - It is assumed that the average rate per day in a ward is Php 900.00 per day or an average of Php 2,700.00 per confinement of 3 days.
  - It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
  - It is assumed that the average rate for each patient who will undergo a minor operation is Php 25,000.00; Php 100,000.00 for major operations; and Php 200,000.00 for more severe and complicated operations.
  - It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
  - It is assumed that the pharmacy charges for an admitted patient is Php 2,500.00 per day of confinement and the pharmacy operations for outpatient medications at Php 1,000.00 per patient per day.

#### **1.18.2 TECHNICAL ANALYSIS**

1. ACE Medical Center – Zamboanga may require at least 350 medical and non-medical staff/personnel.
2. The Hospital is strategically located along Don Alfaro Street, Barangay Tetuan, Zamboanga City which is readily accessible to more residents of the City.
3. There is a need for more hospitals in Zamboanga City and Zamboanga Peninsula Region based on the Philippine Health Facility Development Plan 2020-2040.
4. There is a need for the establishment of the ACE Medical Center – Zamboanga which shall lessen the gap between the required hospital beds vis-à-vis the population in Zamboanga City and Zamboanga Peninsula Region.

#### **1.18.3. FINANCIAL ANALYSIS**

1. ACE Medical Center – Zamboanga will have a projected construction cost of Php 1,200,000,000.00.

2. The Project will generate revenue from year 2023 to 2032 (**Table \_\_\_**) as it expects to be operational on the last quarter of 2022 until the 1<sup>st</sup> quarter of 2023.
3. On the first year of operations, the Project will be generating a gross revenue of Php 862,308,000.00. On 2032, the projected gross revenue is Php 6,424,695,253.32, with an annual increase rate of 1.25 (25%). The 25% increase rate is based on the relatively conservative increase in revenues of other hospitals in the Region.
4. The Hospital may generate a projected total gross revenue of Php 28,674,244,266.60 during the first 10 years of its operations.
5. The Project is deemed viable in terms of profitability and capacity.

### **1.19. RECOMMENDATIONS**

1. Study on the effects of the existing classification of hospitals in Zamboanga City and Zamboanga Peninsula Region.
2. Study on the benefits of specialty hospitals in terms of income and demographics.
3. Study on the profitability of hospitals in Zamboanga City and Zamboanga Peninsula Region.

## **II. MARKET ANALYSIS**

### **2.1. Project Description**

ACE Medical Center-Zamboanga was established to maintain, operate, own, and manage hospitals, medical and related healthcare facilities, and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, condo hospitals, scientific research, and other allied undertakings and services which shall provide medical, and surgical, nursing, therapeutic, paramedic, or similar care, provided that purely professional, medical or surgical services shall be performed by duly qualified physicians or surgeons who may or may not be connected with the hospitals and whose services shall be freely and individually contracted by the patients.

**ACE Medical Center Zamboanga** is a private healthcare institution that aims to establish a modern, state-of-the-art and technologically-advanced healthcare facility in the region. This 8-story facility shall house the 177-bed capacity hospital with multi-specialty departments located at Don Alfaro Street, Barangay Tetuan, Zamboanga City. Aiming to provide access to healthcare products to complement the services including medicines, medical supplies, etc. A combination of competent human resources, modern and technologically-advanced facilities and equipment, reliable policies, procedures and systems.

## 2.2 Project Objectives

The objectives of the Project are summarized as follows:

- To set up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic, and holistic approach.
- To provide the best quality and justifiable medical services to its clients and stakeholders.
- To achieve a profitable return to the shareholders and stakeholders.

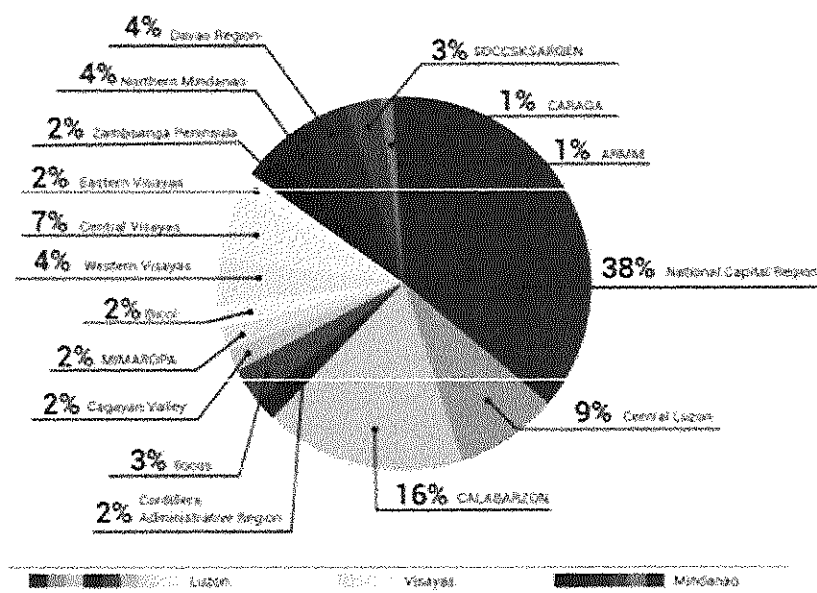
## 2.3. Target Segments

- The local residents of Zamboanga City;
- The residents of the Zamboanga Peninsula region;
- The residents of nearby provinces and Mindanao; and
- Other nationals from nearby countries.

## 2.4. Overview of Zamboanga Peninsula's Economy

The GDP growth of Zamboanga Peninsula recorded at 5.7% last 2021 is one of eight regions in the country last 2021 whose Gross Domestic Product (5.7%) recorded higher positive growth compared to the national level.

**Figure 4. Average Regional Share in GDP 2010-2015**



Source: Overlay of Economic Growth, Demographic Trends, and Physical Characteristics. Philippine Development Plan 2017-2022.

**Table 6. Gross Regional Domestic Product – Annual 2019 to 2021 at Current Prices (in Thousands) (As of April 2022)**

		Annual		
		2019	2020	2021
NCR	National Capital Region	6,294,194,685	5,800,819,179	6,157,784,762
CAR	Cordillera Administrative Region	322,106,088	295,502,542	323,711,729
I	Ilocos Region	630,300,658	597,917,300	643,928,511
II	Cagayan Valley	399,370,781	367,331,248	399,981,012
III	Central Luzon	2,184,815,143	1,864,111,182	2,061,962,928
IVA	CALABARZON	2,865,792,547	2,565,120,461	2,785,911,990
	MIMAROPA Region	375,589,553	342,643,478	382,736,604
V	Bicol Region	560,835,429	516,847,516	564,612,777
VI	Western Visayas	919,163,055	850,797,186	937,244,700
VII	Central Visayas	1,270,612,311	1,170,115,820	1,237,626,585
VIII	Eastern Visayas	455,533,643	414,265,871	450,089,271
IX	Zamboanga Peninsula	399,109,397	394,821,669	428,121,991
X	Northern Mindanao	885,223,985	860,415,357	949,232,042
XI	Davao Region	922,613,763	890,607,548	967,227,645
XII	SOCCSKSARGEN	474,892,618	467,334,771	503,975,596
XIII	Caraga	302,930,146	292,574,562	331,762,932
	Bangsamoro Autonomous Region in Muslim Mindanao	254,779,370	260,347,879	284,656,980
	Philippines	19,517,863,172	17,951,573,570	19,410,568,055

**Source: Philippine Statistics Office.**

The table above shows that the Gross Regional Domestic Product of the Zamboanga Peninsula rebounded from 2020 to 2021.

The Gross Regional Domestic Product measures the goods and services produced in each of the geo-political regions of the country. It provides for an analysis of the regional distribution of the country's GDP, the industries and factors that contribute to the regional economies, and the pace at which these economies are moving on an annual basis. The GRDP is compiled by the PSA on an annual basis.

The tables below provides for the GRDP of Zamboanga Peninsula Region per Industry for the years 2019 until 2021.

**Table 7 Zamboanga Peninsula, Gross Regional Domestic Product, by Industry**

Annual 2019 to 2021  
Implicit Price Index –  
In Thousand Philippine Pesos

	Annual		
	2019	2020	2021
Agriculture, forestry, and fishing	101.8	104.3	112.9
Industry	100.7	112.0	112.8
01. Mining and quarrying	80.7	103.6	102.7
02. Manufacturing	100.8	115.4	114.5
03. Electricity, steam, water and waste management	94.8	99.3	100.0
04. Construction	101.4	107.4	111.7
Services	100.1	101.1	102.7
01. Wholesale and retail trade; repair of motor vehicles and motorcycles	99.7	100.0	101.1
02. Transportation and storage	115.8	114.2	112.3
03. Accommodation and food service activities	102.2	110.2	115.1
04. Information and communication	101.9	101.4	99.4
05. Financial and insurance activities	98.9	103.3	105.9
06. Real estate and ownership of dwellings	100.4	108.5	114.2
07. Professional and business services	105.6	99.3	96.5
08. Public administration and defense; compulsory social activities	102.2	104.3	107.0
09. Education	88.8	90.7	93.2
10. Human health and social work activities	100.9	104.1	107.0
11. Other services	103.0	104.8	105.9
Gross Regional Domestic Product	100.6	104.9	107.6

Source: Philippine Statistics Authority

**Table 8. Zamboanga Peninsula, Gross Regional Domestic Product, by Industry**

Annual 2019 to 2021  
Percent Share, At Current Prices - Unit: In  
Percent

	Annual		
	2019	2020	2021
Agriculture, forestry, and fishing	18.7	19.2	19.6
Industry	28.3	31.2	31.2
01. Mining and quarrying	0.1	0.1	0.1
02. Manufacturing	15.8	20.1	19.5
03. Electricity, steam, water and waste management	1.2	1.3	1.3
04. Construction	11.1	9.7	10.3
Services	53.0	49.6	49.2
01. Wholesale and retail trade; repair of motor vehicles and motorcycles	21.9	21.2	20.6
02. Transportation and storage	4.8	2.9	2.7
03. Accommodation and food service activities	1.6	0.9	0.9
04. Information and communication	2.6	2.8	2.7
05. Financial and insurance activities	3.3	3.7	3.7
06. Real estate and ownership of dwellings	4.1	4.0	3.9
07. Professional and business services	0.9	0.8	0.8
08. Public administration and defense; compulsory social activities	3.9	4.2	4.2
09. Education	6.4	6.3	6.5
10. Human health and social work activities	2.1	2.3	2.6
11. Other services	1.3	0.5	0.4
Gross Regional Domestic Product	100.0	100.0	100.0

Source: Philippine Statistics Authority

**Table 9. Zamboanga Peninsula, Gross Regional Domestic Product, by Industry**  
Annual 2019 to 2021



Percent Share, At Constant 2018 Prices -  
Unit: In Percent

	Annual		
	2019	2020	2021
Agriculture, forestry, and fishing	18.5	19.3	18.7
Industry	28.3	29.3	29.7
01. Mining and quarrying	0.2	0.1	0.1
02. Manufacturing	15.8	18.2	18.3
03. Electricity, steam, water and waste management	1.3	1.4	1.4
04. Construction	11.0	9.5	9.9
Services	53.2	51.5	51.6
01. Wholesale and retail trade; repair of motor vehicles and motorcycles	22.1	22.2	22.0
02. Transportation and storage	4.2	2.7	2.6
03. Accommodation and food service activities	1.6	0.9	0.9
04. Information and communication	2.6	2.9	3.0
05. Financial and insurance activities	3.4	3.8	3.8
06. Real estate and ownership of dwellings	4.1	3.9	3.7
07. Professional and business services	0.8	0.8	0.8
08. Public administration and defense; compulsory social activities	3.8	4.2	4.2
09. Education	7.2	7.3	7.5
10. Human health and social work activities	2.1	2.4	2.6
11. Other services	1.3	0.5	0.5
Gross Regional Domestic Product	100.0	100.0	100.0

Source: Philippine Statistics Authority

The Services Sector still account for the biggest share in the region's economy at 51.6% followed by the Industry Sector at 29.7%. The third biggest contributor is the Agriculture, Forestry and Mining Sector at 18.7%.

#### 2.4.1. Major Economic Indicators

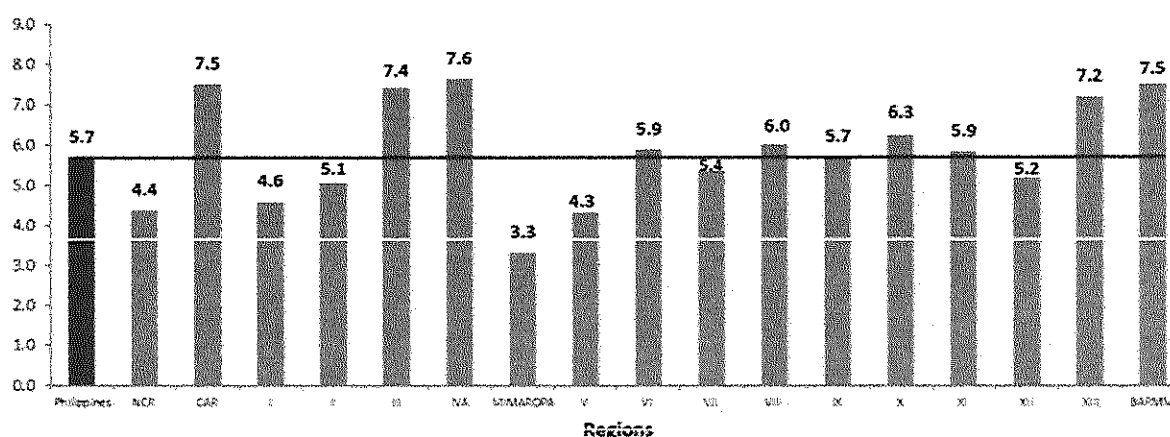
- **Gross Domestic Product Growth**

The economy of Zamboanga Peninsula Region grew from 394,821,669,000 on 2020 to 428,121,991,000 on 2021. In spite of the COVID 19 Pandemic, the decrease of the GRDP of the Zamboanga Peninsula Region from 2019 to 2020 is relatively low compared to other regions from 399,109,397,000 to 394,821,669,000.

Moreover, the Zamboanga Peninsula Region posted a GDP growth rate as of 2021 higher than most of the other regions in the country. In fact, it is one of eight regions which posted a growth rate above the national level.

**FIGURE 1: Performance of Regional Economies, Growth Rates**

Figure 1: Performance of Regional Economies, Growth Rates, 2020-2021  
At Constant 2018 Prices (in Percent)



- **Inflation Rate**

The inflation rate of Zamboanga City pegged at 7.4% as of August 2022 is considerably lower compared to that of Zamboanga Peninsula Region's (Region IX) inflation rate of 9.1%. The inflation rate of Zamboanga City on August 2021 is equal or similar to that of the Zamboanga Peninsula Region. The inflation rate of Zamboanga City as of July 2022 at 7.0% is likewise lower than Zamboanga Peninsula Region at 8.3%. The inflation rate disparity increased more on August 2022 and year on year average between January to August 2021 and 2022.

**Table 1. Year-on-Year Inflation Rates for Zamboanga City, All Items In Percent**

Area	August 2021	July 2022	August 2022	Year to date *
Region IX	2.4	8.3	9.1	5.9
Zamboanga City	2.4	7.0	7.4	4.9

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index  
Philippine Statistics Authority

\* Year-on-year change of average CPI for January to August 2022 vs. 2021

The acceleration in Zamboanga City's inflation rate in August 2022 was primarily triggered by the higher annual growths in the *Housing, water, electricity, gas and other fuels* index at 10.5 percent, and *Alcoholic beverages and tobacco* index at 9.6 percent. The other commodities that also contributed to the upward trend of the headline inflation for August 2022.

- a. *Education services*, 6.1 percent
- b. *Recreation, Sport and Culture*, 3.9 percent
- c. *Personal Care and Miscellaneous Goods and Services*, 2.8 percent
- d. *Furnishing, Household Equipment and Routine Household Maintenance*, 2.7 percent
- e. *Health*, 2.0percent

Meanwhile inflation rates decelerated for *Food and Non-Alcoholic Beverages* and *Transport indices* at 8.0 percent and 12.0 percent, respectively.

[Source: Summary of Inflation Report for Zamboanga, Consumer Price Index August 2022, <http://rssl09.psa.gov.ph/sites/default/files/ZC%20signed%20pdf.pdf>]

- **Unemployment Rate**

The labor force of the Zamboanga Peninsula Region is at 2,668,000 as of April 2019. The labor force participation rate is at 56.5% with an employment rate is at 95.7%. The unemployment rate is pegged at 4.3% while the underemployment rate is tagged at 12%.

Source: Quickstat. Region IX- Zamboanga Peninsula (as of February 2020), <http://rssl09.psa.gov.ph/sites/default/files/Zampen%20QUICKSTAT%20February%202020.pdf>

## **2.5. INVESTMENT CLIENT IN ZAMBOANGA CITY & ZAMBOANGA PENINSULA REGION**

Zamboanga City continues to be the center of trade, commerce, transportation, communication, education, technology, tourism, and religion in the Zamboanga peninsula. It has continued as one of Mindanao's prominent business hubs and attractive business destination since it is the first in Mindanao Region to have an economic processing zone.

As provided in the *Zamboanga Peninsula Regional Development Plan (2017-2022 Midterm Update)*, Zamboanga City is classified as the regional growth center of Zamboanga Peninsula with the cities of Pagadian, Dipolog, Dapitan and Isabela as sub-regional growth centers. By 2045, it is expected that Zamboanga City shall become a metropolitan center. Meanwhile, Pagadian City is expected to become a regional center by 2035 and the cities of Dipolog and Dapitan by 2045.

By 2045, the population of Zamboanga City is projected to reach 1,254,711, making it a metropolitan area based on NSS classification. It is therefore imperative for the city to prepare itself to ensure that by 2045, it shall be a livable metropolitan area - sustainable, resilient and competitive.

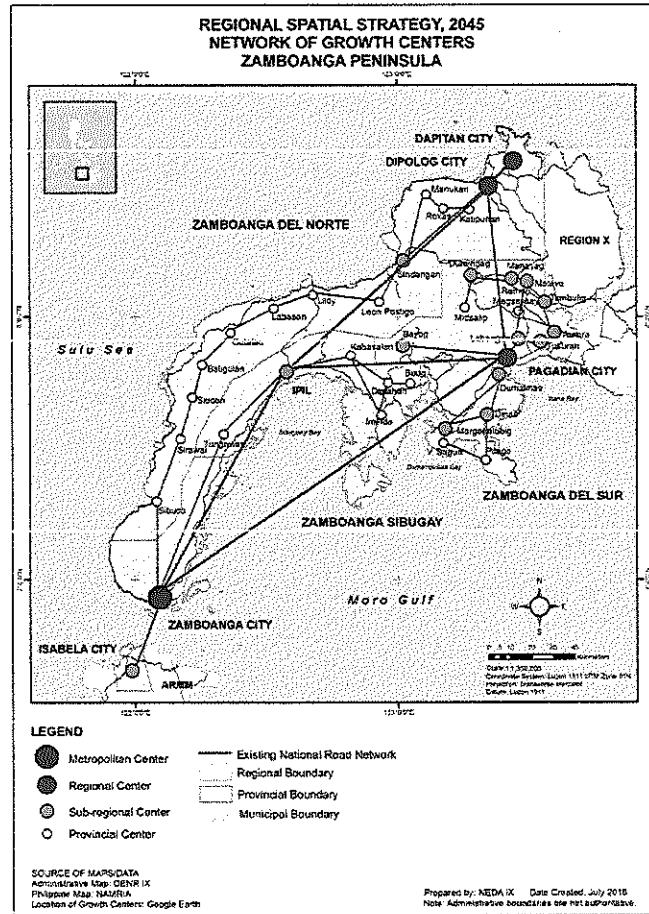
A new city government center for Zamboanga City shall be established at Barangay Cabatangan. The influence of Zamboanga City's economy as the economic hub of Southwestern Mindanao is expected to expand beyond Zamboanga Peninsula and neighboring provinces of Basilan, Sulu and Tawi-Tawi of the ARMM. It shall strengthen its position as the country's international gateway to Southeast Asia, and as the nearest Philippine major urban center in the ASEAN region. The potentials of its two major industrial complexes, the ZAMBOECOZONE and Sangali Fish Port shall be further harnessed to attract more investments and locators to the region. Zamboanga City is also the Education and Financial Center. It hosts major universities and colleges as well as training and research institutions. It has state of the art banking and communications facilities, modern educational and healthcare services, world class hotel and convention centers.

Because of its strategic location, Zamboanga City shall continue to be the principal actor for Zamboanga Peninsula Region to become the Center of Sustainable Agri-Fishery Industries of the Philippines. Consistent with the Philippine Development Plan, 2017-2022, Zamboanga City's infrastructure facilities shall be developed to make it one of the country's international gateways.

The Zamboanga City International Airport and the Zamboanga Port shall be upgraded and expanded to meet international standards to be able to serve more efficiently the transportation needs of the increasing passenger and cargo traffic, both domestic and foreign.

The Zamboanga Peninsula Regional Spatial Development Framework (RSDF), 2016-2045 is consistent with the National Spatial Strategy (NSS) and the Mindanao Spatial Strategy Development Framework (MSS/DF). RSDF is anchored on three main strategies, namely: concentration, connectivity and vulnerability reduction. The spatial strategy defines the network of settlements and development of growth areas in the region based on their natural resource endowments, facilities, comparative advantages, population projections, among others. It identifies specific schemes to improve access and connectivity within and outside the region, and country, as well as, increase capacity and reduce vulnerability of people from hazards.

**Figure 5. Regional Spatial Strategy of Zamboanga Peninsula Region**



## 2.6. Target Population

The City of Zamboanga, the only highly urbanized city in the region, posted a population of 977,234 persons as of the year 2020. The total population of the Zamboanga Peninsula is 3,875,576 based on the 2020 census which accounts for about 3.55% of the Philippine population. Among the three provinces in the Zamboanga Peninsula, Zamboanga del Sur had the biggest population in 2020 with 1,050,668 persons, followed by Zamboanga del Norte with 1,047,455 persons. Zamboanga Sibugay had the smallest population with 669,840 persons.

**Table 2. Total Population Based on Various Censuses- Region IX**

Table 1. Total Population Based on Various Censuses:  
Region IX - Zamboanga Peninsula

Census Year	Census Reference Date	Total Population
2000	May 1, 2000	2,831,412
2010	May 1, 2010	3,407,353
2015	August 1, 2015	3,629,783
2020	May 1, 2020	3,875,576

Source: Philippine Statistics Authority

**Table 3. Total Population By Province/Highly Urbanized Cities**

Table 3. Total Population by Province/Highly Urbanized City Based on Various Censuses: Region IX - Zamboanga Peninsula

Province/Highly Urbanized City	Total Population			
	2000	2010	2015	2020
Zamboanga del Norte	823,130	957,997	1,011,393	1,047,455
Zamboanga del Sur	836,217	959,685	1,010,674	1,050,668
<i>City of Zamboanga</i>	601,794	807,129	861,799	977,234
Zamboanga Sibugay	497,239	584,685	633,129	669,840
<i>City of Isabela*</i>	73,032	97,857	112,788	130,379

\* Component City of the Province of Basilan, BARMM

Source: Philippine Statistics Authority

The 2020 population of the region is higher by 245,793 from the population of 3.63 million in 2015, and 468,223 more than the population of 3.41 million in 2010. Moreover, it is higher by 1,044,164 compared with the population of 2.83 million in 2000.

The City of Zamboanga posted an annual population growth rate (PGR) of 2.68%. The City of Isabela, meanwhile, had a PGR of 3.10%. Zamboanga Sibugay was the fastest growing province in the region with an annual population growth rate (PGR) of 1.19% from 2015 to 2020. It was followed by Zamboanga del Sur with 0.82%, and Zamboanga del Norte with 0.74%.

**Table 10**

Table 4. Annual Population Growth Rate by Province/Highly Urbanized City  
Based on Various Censuses: Region IX - Zamboanga Peninsula

Province/Highly Urbanized City	Annual Population Growth Rate (%)		
	2000 to 2010	2010 to 2015	2015 to 2020
Zamboanga del Norte	1.53	1.04	0.74
Zamboanga del Sur	1.39	0.99	0.82
<i>City of Zamboanga</i>	2.98	1.26	2.68
Zamboanga Sibugay	1.63	1.53	1.19
<i>City of Isabela*</i>	2.97	2.74	3.10

\* Component City of the Province of Basilan

Source: Philippine Statistics Authority

Of the 1,904 barangays in Region IX, the largest in terms of population size is Talon-talon in the City of Zamboanga with 37,350 persons. It was followed by Calarian with 33,563 persons, and Tumaga with 33,399 persons, both in the City of Zamboanga. The rest of the top ten most populous barangays in the region are all located in the City of Zamboanga.

**Table 11**

Table 7. Top Ten Most Populous Barangays:  
Region IX - Zamboanga Peninsula, 2020

Rank	Barangay	City/Municipality	Total Population
1	Talon-talon	City of Zamboanga	37,350
2	Calarian	City of Zamboanga	33,563
3	Tumaga	City of Zamboanga	33,399
4	Mampang	City of Zamboanga	31,975
5	Tetuan	City of Zamboanga	29,621
6	San Roque	City of Zamboanga	28,829
7	Kasanyangan	City of Zamboanga	28,819
8	Pasonanca	City of Zamboanga	27,215
9	Sangali	City of Zamboanga	26,758
10	Ayala	City of Zamboanga	26,658

Source: Philippine Statistics Authority, 2020 Census of Population and Housing

Source: Highlights of the Region IX (Zamboanga Peninsula) Population 2020 Census of Population and Housing (2020 CPH), 23 August 2022, <https://psa.gov.ph/population-and-housing/node/165011>.

## 2.7. Proposed Services

The approach of ACE Medical Center Zamboanga is the establishment of a policy-driven healthcare facility that ensures safe and quality care including state of the art Operating Room Unit, first-in-the-city Eye Center and Dental Center inside the building, and a 16 seater Dialysis Center.

The Hospital shall consist of the following main departments:

DEPARTMENT OF INTERNAL MEDICINE  
 DEPARTMENT OF OBSTETRICS AND GYNECOLOGY  
 DEPARTMENT OF PEDIATRICS  
 DEPARTMENT of SURGERY  
 DEPARTMENT OF ANESTHESIA  
 CLINICAL PATHOLOGY DEPARTMENT  
 RADIOLOGY DEPARTMENT  
 INFECTION CONTROL DEPARTMENT  
 EMERGENCY DEPARTMENT  
 REHABILITATION MEDICINE AND PHYSICAL THERAPY  
 PULMONARY DEPARTMENT  
 OUT-PATIENT DEPARTMENT  
 ADMINISTRATIVE DEPARTMENT  
 BILLING SECTION  
 PHARMACY / THERAPEUTICS DEPARTMENT  
 CENTRAL SUPPLIES DEPARTMENT  
 PSYCHIATRY DEPARTMENT

## 2.8. Market Size Analysis

The medical services to be provided is not directly linked to any demographic age or classification of the population, but the hospital will target the entire provincial market of persons who avail of medical benefits from Philhealth Insurance Corp. and other HMOs, among others. Continued local population growth will provide increasing demand for these services as well as additional demand from other provinces in the region. Thus, the project encompasses a wider scope in taking care of those outside of Zamboanga City in order to obtain appropriate medical treatment.

The study assumes a 1.19% market share in terms of population in Zamboanga City and neighboring provinces. For a baseline of 46,120 projected clients/patients, a daily average client/patient of the Hospital will be 126 per day for a hospital with bed capacity of 177 rooms with an equivalent occupancy rate of 71%. The following figures will reveal that the Study utilized a very low threshold or conservative estimate for the Project's market share.

**Table 4. Market Share of ACE- Zamboanga City, Inc.**

Area	Population	Assumptions	
		On 60%	On 1.19%
Zamboanga City	977,234	586,340	11,629
Zamboanga Del Norte	1,047,455	628,473	12,465
Zamboanga Del Sur	1,050,688	630,413	12,503
Zamboanga Sibugay	669,840	401,904	7,971
City of Isabela	130,379	78,227	1,552



Total	3,875,596	2,325,357	46,120
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## 2.9 Capacity of the Project

The following represents the capacity of the Hospital based on the availability of 177 beds for the first ten years.

### 2.10.1 Service Revenue

The Project will have an estimated gross revenue of Php 836,435,800 in accommodation and medical services and Php 25,872,200 in Pharmacy Operations (Table 12) for a total of Php 862,308,000.00 in its first year of operation. This is based on a very conservative market share of 1.19% (46,120 patients).

**Table 12. Service Revenue**

Particulars		Distribute share per service	Number of Patients	Service Price (In Peso)	Service Revenue (In Peso)
Number of Clients		46120			
I. Accommodations					
	A. Bed Occupancy (In-Patient)				
	i. Private (Average of 3 days P1,500 per day)	0.25	11,530	4,500	51,885,000
	ii. Semi-Private (Average of 3 days - P1,100 per day)	0.10	4,612	3,300	15,219,600
	iii. Ward (Airconditioned Average of 3 days P850 per day)	0.75	34,950	2,700	94,365,000
	B. ICU (In Patient)	0.015	691.8	15,000	10,377,000
II. Other Medical Services					
	A. Operations (In Patient)				
	i. Minor	.15	6,918	25,000	172,950,000
	ii. Major	.05	2,306	100,000	230,600,000
	iii. Severe Operations	.01	461.2	200,000	92,240,000
	B. Laboratory				
	i. Admitted (Inpatient)	0.8	36,896	1,200	44,275,200
	ii. Outpatient	0.65	29,978	500	14,989,000
	C. Emergency (Out-patient)	0.25	11,530	1,000	11,530,000
	D. Pharmacy (Admitted)	0.8	36,896	2,500	92,240,000
	E. Ambulance Transport Services	0.05	2,306	2,500	5,765,000
<b>Total</b>					<b>836,435,800</b>

### 2.10.2. Price Analysis and Pricing Policy

During the first few years of hospital operations, the suggested prices for the hospital services will be based on local prevailing market prices or standards while the development and upgrading of services will continue to be undertaken.

The following are basis for domestic prices that were relied upon in the feasibility analysis of the project.

- Average rate per stay in a general hospital is 3 days according to DOH statistics;
- It is assumed that the average rate per day in the private room is Php 1,500.00 per day or an average of Php 4,500.00 per confinement of 3 days.
- It is assumed that the average rate per day in the semi-private room is Php 1,100.00 per day or an average of Php 3,300.00 per confinement of 3 days.
- It is assumed that the average rate per day in a ward is Php 900.00 per day or an average of Php 2,700.00 per confinement of 3 days.
- It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
- It is assumed that the average rate for each patient who will undergo a minor operation is Php 25,000.00; Php 100,000.00 for major operations; and Php 200,000.00 for more severe and complicated operations.
- It is assumed that the average rate per day in the ICU is Php 15,000.00 per day or an average of Php 45,000.00 per confinement of 3 days.
- It is assumed that the pharmacy charges for an admitted patient is Php 2,500.00 per day of confinement and the pharmacy operations for outpatient medications at Php 1,000.00 per patient per day.

Notably, the above prices are projected prices based on fees of private hospitals in the region. Prices were assumed by using price data for a local hospital and by calibrating and measuring revenue through published financial statements of a local hospital in the region. Services prices were assumed including services provided by the hospital such as medicines, laboratories, radiology, medical and non-medical procedures, beds, costs, etc. These revenues were used to analyze expected returns.

In the foreseeable future, the Hospital prices will be relatively lower compared to charges of private hospitals in Zamboanga City for similar services since it will be utilizing local labor and manpower services and the effects of the securing lower prices from medical supply equipment distributors .

The Hospital may likewise justify any increase in the prices of its services by providing excellent and efficient medical services.

**Table 13. Sample Price Range for Medical Services of Hospitals in the Zamboanga Peninsula Region**

Medical Services	Price (Php)
Hematology	60.00-100.00
Serology & Immunology	775.00-1,200.00
Clinical Microscopy	20.00 – 240.00
Clinical Microbiology	150.00-810.00
Clinical Chemistry	155.00-750.00
Histopathology	500.00-4,000.00
Radiology	250.00 -600.00
Ultrasound	650.00 – 1,300.00
MRI	7,600.00 – 15,400.00
CT Scan	4,000.00 – 15,000.00
Endoscopy	3,400.00 -9,000.00

**2.11. Projected Revenues**

The Project will generate revenue from year 2023 to 2032 (Table \_\_) as it expects to be operational on the last quarter of 2022 until the 1<sup>st</sup> quarter of 2023.

On the first year of operations, the Project will be generating a gross revenue of Php 862,308,000.00. On 2032, the projected gross revenue is Php 6,424,695,253.32, with an annual increase rate of 1.25 (25%). The 25% increase rate is based on the relatively conservative increase in revenues of other hospitals in the Region.

The Hospital may generate a projected total gross revenue of Php 28,674,244,266.60 during the first 10 years of its operations.

**Table 14. Projected Revenues during the First 10 Years of Operations (2022-2031)**

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Accommodation	0	0	809,916,800.00	1,012,396,000	1,265,495,000.00	1,581,868,750.00
Other Medical Services	0	0	26,519,000.00	33,148,750.00	41,435,937.50	51,794,921.88
Pharmacy Operation	0	0	25,872,200.00	32,340,250.00	40,425,312.50	50,531,640.63
Total Revenue	0	0	862,308,000.00	1,077,885,000.00	1,347,356,250.00	1,684,195,312.50

	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Accommodation	1,977,335,937.50	2,471,669,921.87	3,089,587,402.33	3,861,984,252.91	4,827,480,316.13	6,034,350,395.16
Other Medical Services	64,743,652.34	80,929,565.43	101,161,956.79	126,452,445.98	158,065,557.48	197,581,946.85
Pharmacy Operation	63,164,550.78	78,955,688.48	98,694,610.60	123,368,263.24	154,210,329.06	192,762,911.32
Total Revenue	2,105,244,140.62	2,631,555,175.77	3,289,443,969.71	4,111,804,962.13	5,139,756,202.66	6,424,695,253.32

### **III. TECHNICAL ANALYSIS**

#### **3.1. Required Human Resources**

##### **3.1.1. Organization Structure or Configuration**

1. The prevailing standards on organizational structure and staffing pattern of government and private hospitals took into consideration the following factors:
  - i. Minimum DOH Licensing Requirements and Philhealth Accreditation Requirements;
  - ii. New hospital licensing category (Level 1, Level 2, Level 3 hospitals) based on Department of Health Administrative Order No, 2012-0012;
  - iii.
  - iv. Specialty Society Training Accreditation Requirements (particularly for Medical Staff);
  - v.
  - vi. Distribution of Medical Staff to cover the Outpatient Department, Emergency Room and Inpatient hospital areas; and
  - vii. Health Human Resource Master Plan shall have four (4) basic organizational units: The Office of the Chief of Hospital; Medical Service; Nursing Service; and Hospital Operations and Patient Support Service (HOPSS). Internal management functions are combined under one organizational unit, the HOPSS, which shall subsume both administrative and finance services.
2. The general functions of the major organizational units are as follows:
  - i. **Office of the Chief of Hospital/ Medical Center Chief**

Shall be responsible for the overall management and administration of the hospital; formulation of policies, plans, programs and strategies to ensure implementation of health standards for the attainment of quality health care and high standards of clinical training for medical and allied medical personnel; and the day-to-day supervision and administration of the functional units.
  - ii. **Medical Service**

Shall be responsible for providing quality inpatient and outpatient care and high standards of clinical training for medical and allied medical personnel; provision of ancillary and allied health services to patients; promotion of research activities; implementation of clinical resource management

system: and advising and assisting the chief of hospital in the formulation and implementation of policies, plans and programs of the hospital.

iii. Nursing Service

Shall be responsible for implementing nursing programs for total quality health care; providing nursing care to medical cases; and developing, coordinating and implementing relevant training programs for nursing personnel.

iv. Hospital Operations and Patient Support Service

Shall be responsible for the provision of administrative services relating to personnel management, administrative records management, property and supply management, general services, engineering, and security.

v. Finance Service

Shall be responsible for the provision of financial services relating to budgeting, accounting, cash operations, billing and claims.

The Table 15 shows the minimum number of medical and non-medical personnel or staff required for the Project.

**Table 15. The Required Labor For The Project**

<b>Job Title</b>	<b>No.</b>	<b>Monthly Rate</b>
Medical Center Chief I	1	92,108.00
Chief Medical Professional Staff I	1	82,439.00
Medical Specialist III	8	73,299.00
Medical Specialist II	12	65,604.00
Medical Officer IV	7	65,604.00
Dentist IV	1	65,604.00
Nurse VI	1	58,717.00
Medical Officer III	15	52,554.00
Nurse IV	1	42,099.00
Social Welfare Officer III	1	38,085.00
Pharmacist III	1	38,085.00
Nutritionist-Dietitian III	1	38,085.00
Medical Technologist III	1	38,085.00
Nurse III	5	34,781.00
Dentist II	1	34,781.00
Radiologic Technologist III	1	29,010.00
Psychologist II	1	29,010.00
Nurse II	45	29,010.00
Medical Technologist II	4	29,010.00

Respiratory Therapist	II	1	26,494.00
Health Education and Promotion Officer	II	1	26,494.00
Radiologic Technologist II		1	20,179.00
Pharmacist I		11 5	20,179.00
Nutritionist-Dietitian	I	2	20,179.00
Nurse I		70	20,179.00
Respiratory Therapist I		2	18,718.00
Midwife I		5	17,473.00
Social Welfare Assistant		1	16,282.00
Medical Laboratory Technician II		3	16,282.00
Medical Equipment Technician II		1	16,282.00
Nursing Attendant II		25	16,282.00
Medical Equipment Technician I		2	16,282.00
Nursing Attendant I		25	12,674.00
Laboratory Aide II		6	12,674.00
Dental Aide		1	12,674.00
Supervising Administrative Officer		1	58,717.00
Accountant III		1	42,099.00
Engineer III		1	42,099.00
Administrative Officer V		6	38,085.00
Accountant II		1	31,765.00
Statistician II		1	29,010.00
Computer Maintenance Technologist II		1	29,010.00
Chemist II		1	29,010.00
Administrative Officer IV		3	29,010.00
Administrative Officer III		1	26,494.00
Medical Technologist I		4	20,179.00
Computer Maintenance Technologist I		2	20,179.00
Administrative Officer II		4	20,179.00
Administrative Officer I		9	18,718.00
Administrative Assistant III		2	17,473.00
Warehouseman II		1	16,282.00
Hospital Housekeeper		2	16,282.00
Engineering Assistant		2	16,282.00
Data Controller II		3	16,282.00
Administrative Assistant II		9	16,282.00
Administrative Assistant I		8	15,254.00
Administrative Aide VI		10	16,282.00
Cook II		4	13,481.00
Administrative Aide IV		5	12,674.00
Laundry Worker II		2	11,914.00
Administrative Aide III		6	11,914.00
Seamstress		1	11,200.00
		<b>Total 350</b>	

The various services and departments shall be composed of the following medical and non-medical personnel or staff/ manpower complement.

### **DEPARTMENT OF INTERNAL MEDICINE**

The Department of Internal Medicine includes physicians whose primary role is to provide medical care in the hospital. This team of providers includes physicians, resident physicians and nurse practitioners, who work closely with bedside nurses, social workers, physical therapists and other staff to provide thoughtful, safe, collaborative and effective medical care.

#### **Manpower Complement**

Department Chairman	:	1
Training Officer	:	1
Chief Resident	:	1
Resident Physicians	:	8

### **DEPARTMENT OF OBSTETRICS AND GYNECOLOGY**

The Department of Obstetrics and Gynecology focuses in women's health and wellness by providing high quality patient care, educating future leaders, and fulfilling innovative research within a highly collaborative environment. It is a leading institution in all aspects of women's health with nationally recognized programs in obstetrics and gynecology, including high-risk pregnancy, reproduction genetics, gynecology, breast disease, infertility, contraception and cancer.

#### **Manpower Complement**

Department Chairman:	1
Training Officer	: 1
Chief Resident	: 1
Resident Physician	: 2

### **DEPARTMENT OF PEDIATRICS**

The Department of Pediatrics promotes the health of children and adolescents with a balanced program that seeks new knowledge through research, provides outstanding educational opportunities, delivers high quality comprehensive clinical care and service, advocates vigorously for children and adolescents, and is responsive to the changing needs of our community and society.

#### **Manpower complement**

Department Chairman:	1
Training Officer	: 1
Chief Resident	: 1

Resident Physician : 2

## **DEPARTMENT of SURGERY**

The department of surgery treats patients both in emergency situations and for scheduled procedures. Scopes of services of the departments are:

- Inpatient services to patients diagnosed with a disease that requires surgery.
- Provides outpatient treatment for patients in the outpatient surgery clinic.
- Providing subspecialty surgical services to patients in the clinic and beyond
- Subspecialty surgical procedure under general surgery department based on the time or even during an emergency.
- Perform outpatient surgical procedures.
- Helping patients to achieve optimal health status while in hospital.

### **Manpower Complement**

Department Chairman: 1  
Training Officer : 1  
Resident Physician : 2

## **DEPARTMENT OF ANESTHESIA**

The Department of Aesthesia, has a mission to provide safe, effective, and ethical care to our patients. The Anesthesiology Department shall be responsible for providing all primary anesthesia and pain management services. This includes, but is not limited to, general and regional anesthesia in operating suites, obstetrics, emergency room, radiology and intensive care. Anesthesia services shall be available twenty-four (24) hours of the day and night for emergency cases.

### **Manpower Complement:**

Department Chairman : 1  
Associate Anesthesiologist: 4

## **CLINICAL PATHOLOGY DEPARTMENT**

The Department performs pathologic examinations efficiently and accurately in the shortest possible time with the least use of materials and reagents for confirmation of clinical impression, screening, or detection of diseases, for prognosis and for therapeutic management, to aid the physicians in the management of their patients.



The Department caters to the needs of clinical or surgical services of the hospital. It also serves as training field for undergraduate medical students and paramedical personnel. CPD shall assess nosocomial environmental conditions in the hospital.

The Department of Pathology involves the study and diagnosis of diseases through examination of the surgically removed organ, tissues (biopsy samples), body fluids and in some cases the whole body (autopsy). It promotes understanding the basis of diseases, teaching knowledge to others and to apply understanding to improve medical diagnosis and treatment of patient leading to improve diagnosis, treatment and eventually, prevention.

**Manpower Complement:**

Chief Medical Technologist:	1
Medical Technologist :	10
Phlebotomist/Lab. Nurse :	2
Lab. Orderly :	1

**RADIOLOGY DEPARTMENT**

The Department of Radiology uses medical imaging to diagnose and treat diseases such as radiography, ultrasound, computed tomography, and magnetic resonance imaging. It functions under the control of Radiologists and qualified technical staff.

The Department shall provide the hospital with high quality radiological services as required for Good Patient Care. These shall be achieved by the adherence to the following criteria:

- All procedures are to be done on a strict basis of clinical priority and confidentiality.
- All services are to be provided only upon the knowledge of the referring physician.
- Adherence to radiation safety shall conform with the guidelines provided by the Radiation Health Office.
- Assistance shall be provided to other hospital departments in the development of optimal clinical diagnosis and management and protocols.
- Prospective clinical research program will be developed.
- Continuing Education Program for all the staff shall be maintained.

**Manpower Complement:**

Radiologist :	1
Radiologic Technologist :	9
Medical Clerk :	2

## **INFECTION CONTROL DEPARTMENT**

The Infection Control Department has the authority to institute any appropriate control measures or studies and to recommend corrective action within any department, when there is considered to be a danger to any patient or to personnel. The Infection Control Department has the ultimate authority, in the event that there is a question or disagreement in relation to infection control policy or procedure. To facilitate early and complete reporting, the Infection Control Department, Infection Practitioner or the Registered Nurse on the patient care unit has the authority to initiate culture and sensitivity testing and institute any appropriate isolation procedures. When any of these actions are taken, the physician responsible for the patient will be notified.

### **Manpower Complement:**

Chair	:	1
Co-chair	:	1
Infection Control Nurse:		1

## **EMERGENCY DEPARTMENT**

The Emergency Room department is a vital part of the hospital as it is the first to receive patients needing immediate medical attention, either because of the life-threatening condition, multiple injuries or severity of symptoms. It is especially equipped with the life-saving devices and trained personnel to handle emergency cases.

### **Manpower Complement:**

ER Head	:	1
Staff Nurse	:	10
Orderlies	:	2
Ambulance Driver	:	2

## **REHABILITATION MEDICINE AND PHYSICAL THERAPY**

The Rehabilitation Department caters to individuals who have impairments, functional limitations, disabilities, or changes in physical function and health status resulting from injury, disease or other causes. By designing and implementing therapeutic interventions that may include, but not limited to pharmacologic management, therapeutic exercises, functional training in self-care and home management, manual therapy techniques, prescription and fabrication of assistive and orthotic devices, electrotherapeutic modalities, physical agents and medical modalities, the Rehabilitation Medicine and Physical Therapy Center alleviates impairment and functional limitations. Cases handled vary from neurological,

musculoskeletal, cardiopulmonary and pediatric among others. The patient load will consist of in-patients, out-patients and those who will need domiciliary services

**Manpower Complement:**

Rehabilitation Doctor or Psychiatrist :	1
Physical Therapist :	4
Occupational Therapist :	1
PT/OT Volunteers :	5

**PULMONARY DEPARTMENT**

The Department provides immediate cardio-pulmonary management, as requested by the Physician, that will help lead in the accurate diagnosis of an illness for proper administration of therapeutic procedure.

**Manpower Complement:**

Chair :	1
Supervisor, RT :	1
Respiratory Therapist :	2
Medical Staff :	2

**OUT-PATIENT DEPARTMENT**

This is a combination of several departments is a miniature version of the hospital except that the patient is ambulatory. Physicians with different specializations provide services. Individual patients come to consult or receive treatment, others go back to the physician to assess their progress following discharge from hospital.

**Manpower Complement**

Department Head :	1
OPD Supervisor :	1
OPD Clerk :	2

**ADMINISTRATIVE DEPARTMENT**

This Department accommodated complaints of patients and their relatives and other hospital problems/issues. Proper approach is needed in dealing with patient's relatives and hospital staff.

**Manpower Complement:**

Admin Officer : 1  
Asst. to the Admin Officer : 1  
Messenger/Liaison Officer : 1

**BILLING SECTION**

The Billing Section is one of the major components of hospital operation. This unit is working based on the revenue of the different departments of the hospital. A proper coordination and communication with the Doctors and staff are very vital in this unit.

**Manpower Complement:**

Billing Supervisor : 1  
Billing Clerk : 4

**PHARMACY / THERAPEUTICS DEPARTMENT**

This Department serves as the vital link in the chain of health professionals dedicated to patient care. The Pharmacist will provide at all times an adequate supply of safe effective and good quality drugs in appropriate dosage forms consistent with the needs of the patients and to rationalize drug utilization in collaboration with the medical staff.

**Manpower Complement:**

Chair : 1  
Chief Pharmacist : 1  
Staff Pharmacist : 5

**CENTRAL SUPPLIES DEPARTMENT**

The CS Department has the following personnel: the department head, the assistant head and four (4) clerks. The department is open office hours servicing all sectors of the hospitals.

The CS department will serve as essential link in the chain of hospital health service dedicated to patient care. The department will provide at all times an adequate supply of safe, effective and quality products for the need of the patients.

**Manpower Complement:**

Department Head : 1  
Assistant Head : 1  
CSR Clerk : 4

**PSYCHIATRY DEPARTMENT**

The Department of Psychiatry and Behavioral Services, include physicians whose primary role is to provide comprehensive mental health and counseling services. This team of providers includes physicians who work closely with nurses and other staff to provide expert and effective psychiatric care.

**Manpower Complement:**

Chair : 1  
Co-chair : 1  
Medical Staff: 3

**3.2. Project Site Analysis**

ACE Medical Center Zamboanga will be an 8-story 177-bed capacity hospital, constructed in 20,165.35 sqm. property located along Don Alfaro Street, Barangay Tetuan, Zamboanga City. The Property where the Hospital is located are covered by Transfer Certificates of Title and Tax Declarations registered in the name of Allied Care Experts (ACE) Medical Center – Zamboanga City, Inc., as follows:

<b>Transfer Certificate of Title No. (Land)</b>	<b>Tax Declaration No. (Land)</b>
10)(Lot 1124-B-1) 129-2016003090	10)(Lot 1124-B-1)1101008510654
11)(Lot 1124-B-2) 129-2016003091	11)(Lot 1124-B-2) 1101008510657
12)(Lot 1124-B-3) 129-2016003089	12)(Lot 1124-B-3) 1101008510658
13)(Lot 1124-B-4) 129-2016003097	13)(Lot 1124-B-4) 1101008510659
14)(Lot 1124-B-5) 129-2018004145	14)(Lot 1124-B-5) 1101008503155
15)(Lot 1124-C-1) 129-2020000224	15)(Lot 1124-C-1) 1101008530024
16)(Lot 1124-C-2) 129-2020000271	16)(Lot 1124-C-2) 1101008530044
17)(Lot 1124-C-3) 129-2020000225	17)(Lot 1124-C-3) 1101008530069

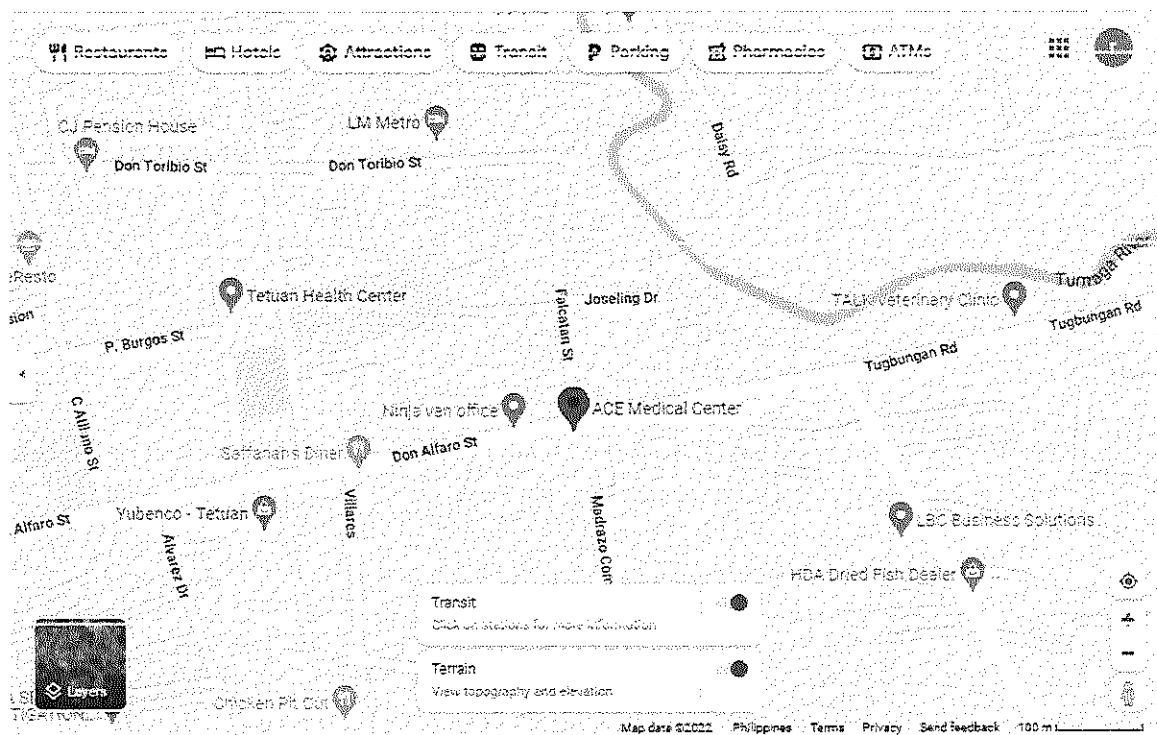
18)(Lot 1124-C-4) 129-2020000268	18)(Lot 1124-C-4) 1101008511101
----------------------------------	---------------------------------

As of July 2022, the hospital's structural works is at 100%, masonry works 100%, architectural works 94%, mechanical works 97%, electrical works 93%, sanitary plumbing works 96%, and fire protection works 97%. Estimated to be completed on or before January 2023.

The Project site is an ideal hospital location because of the lack of sufficient number of hospitals to serve the population, in addition to the provision of specializations that are not available in other hospitals in Zamboanga City with modern medical equipment necessary for surgical operations and treatment of patients and others.

The location of the Hospital is strategically located in Zamboanga City and is directly accessible by public transportation. The ease of access to the Hospital is beneficial not only to the patients/clients but also to the medical and non-medical personnel.

**Figure 6. Location Map of the Project.**



### 3.3. Key Highlights of Zamboanga City

Zamboanga City is classified as a highly urbanized city on November 22, 1983. The total land areas of the city is 151,575.52 hectares of 1,515.75 square kilometer with population of 977,234. Zamboanga City is the 6<sup>th</sup> most populous in the Philippines and the 2<sup>nd</sup> most

populous in Mindanao after Davao City. Zamboanga City is the commercial and industrial center of the Zamboanga Peninsula Region.

Zamboanga City continues to be the center of trade, commerce, transportation, communication, education, technology, tourism, and religion in the Zamboanga peninsula.

### **3.4. Hospital Classification**

ACE Medical Center – Zamboanga will be initially classified as a level 2 private general hospital. It is the mission of ACE Medical Center - Zamboanga to set up a tertiary health care facility with an organized, systematic, cost-effective, sympathetic, and holistic approach to its goal of providing the best quality and justifiable medical services to its clients and stakeholders.

Tertiary Hospital (Level 3) is a hospital that provides tertiary care, which is health care from specialists in a large hospital after a referral from primary care and secondary care. Tertiary Hospitals offer training programs for doctors who want to go into specialization.

There are 7 Department of Health (DOH) or government hospitals in Region IX, including Zamboanga City. As of 2020, the total authorized bed capacity is 1,172 and the total implementing bed capacity is 944 as of 2019.

#### **3.4.1. According to ownership**

According to DOH Administrative Order No. 2012-012, Hospitals are classified according ownership as:

1. Government — created by law. A government health facility may be under the national government, DOH, Local Government Unit (LGU), Department of National Defense (DND), Philippine National Police (PNP), Department of Justice (DOD, State Universities and Colleges (SUCs), Government Owned and Controlled Corporations (GOCC) and others.

2. Private — owned, established and operated with funds through donation, principal, investment or other means by any individual, corporation, association or organization. A private health facility may be a single proprietorship, partnership, corporation, cooperative, foundation, religious, non-government organization and others.

ACE Medical Center – Zamboanga is classified according to ownership as a Private Hospital.

### 3.4.2. According to Functional Capacity

Based to DOH Administrative Order No. 2012-012 hospital may be classified according to functional capacity (see Table 19). A hospital classified as general hospital will be further classified as Level 1, 2 or 3

Table 16. Hospital Classification According to Functional Capacity

HOSPITAL	OTHER HEALTH FACILITIES
<b>GENERAL</b>	
Level 1	A. Primary Care Facility
Level 2	B. Custodial Care Facility
Level 3 (Teaching/ Training)	C. Diagnostic/ Therapeutic Facility
<b>SPECIALTY</b>	D. Specialized Out- Patient Facility

Table 17. Hospital Classification According to Functional Capacity by Level

GENERAL	LEVEL 1	LEVEL 2	LEVEL 3
Clinical Services and Facilities for In Patients	Consulting Specialists in: Medicine Pediatrics OB-GYNE Surgery	Level 1 plus all:	Level 2 plus all:
		Departmentalized Clinical Services	Teaching/ training with accredited residency training program in the 4 major clinical services
	Emergency and Out patient Services	Respiratory Unit	Physical Medicine and Rehabilitation Unit
	isolation Facilities	General ICU	
	Surgical/ Maternity Facilities	High Risk Pregnancy Unit	Ambulatory Surgical Clinic
	Dental Clinic	N1CU	Dialysis Clinic
Ancillary Services	Secondary Clinical Laboratory	Tertiary Clinical Laboratory	Tertiary Lab with histopathology
	Blood Station	Blood Station	Blood Bank
	1st Level X-ray	2nd Level X-ray with mobile unit	3rd Level X-ray
	Pharmacy		



ACE Medical Center – Zamboanga is classified as a level 2 hospital according to the functional capacity thresholds set by the DOH.

### **3.5. Site Development Plan**

#### **3.5.1. Good Practices**

The Project is designed to observe appropriate architectural practices, to meet prescribed functional programs, and to conform to applicable codes as part of normal professional practice. The following practices are as follows:

**Environment:** A hospital and other health facilities shall be so located that it is readily accessible to the community and reasonably free from undue noise, smoke, dust, foul odor, flood, and shall not be located adjacent to railroads, freight yards, children's playgrounds, airports, industrial plants, disposal plants.

**Occupancy:** A building designed for other purpose shall not be converted into a hospital. The location of a hospital shall comply with all local zoning ordinances.

**Safety:** A hospital and other health facilities shall provide and maintain a safe environment for patients, personnel and public. The building shall be of such construction so that no hazards to the life and safety of patients, personnel and public exist, It shall be capable of withstanding weight and elements to which they may be subjected.

**Exits** shall be restricted to the following types: door leading directly outside the building, interior stair, ramp, and exterior stair. A minimum of two (2) exits, remote from each other, shall be provided for each floor of the building. Exits shall terminate directly at an open space to the outside of the building.

**Security:** A hospital and other health facilities shall ensure the security of person and property within the facility.

**Patient Movement:** Spaces shall be wide enough for free movement of patients, whether they are on beds, stretchers, or wheelchairs. Circulation routes for transferring patients from one area to another shall be available and free at all times.

**Corridors** for access by patient and equipment shall have a minimum width of 2.44 meters.

**Corridors** in areas not commonly used for bed, stretcher and equipment transport may be reduced in width to 1.83 meters.

A ramp and elevator is provided for ancillary, clinical and nursing areas located on the upper floor.

A ramp shall be provided as access to the entrance of the hospital not on the same level of the site.

Lighting: All areas in a hospital and other health facilities shall be provided with sufficient illumination to promote comfort, healing and recovery of patients and to enable personnel in the performance of work.

Ventilation: Adequate ventilation shall be provided to ensure comfort of patients, personnel and public.

Auditory and Visual Privacy: A hospital and other health facilities shall observe acceptable sound level and adequate visual seclusion to achieve the acoustical and privacy requirements in designated areas allowing the unhampered conduct of activities.

Water Supply: A hospital and other health facilities shall use an approved public water supply system whenever available. The water supply shall be potable, safe for drinking and adequate, and shall be brought into the building free of cross connections.

Waste Disposal: Liquid waste shall be discharged into an approved public sewerage system whenever available, and solid waste shall be collected, treated and disposed of in accordance with applicable codes, laws or ordinances.

Sanitation: Utilities for the maintenance of sanitary system, including approved water supply and sewerage system, shall be provided through the buildings and premises to ensure a clean and healthy environment.

Housekeeping: A hospital and other health facilities shall provide and maintain healthy and aesthetic environment for patients, personnel and public.

Maintenance: There shall be an effective building maintenance program in place. The buildings and equipment shall be kept in a state of good repair. Proper maintenance shall be provided to prevent untimely breakdown of buildings and equipment.

Material Specification: Floors, walls and ceilings shall be of sturdy materials that shall allow durability, ease of cleaning and fire resistance.

Segregation: Wards shall observe segregation of sexes. Separate toilet shall be maintained for patients and personnel, male and female, with a ratio of one (1) toilet for every eight (8) patients or personnel.

**Fire Protection:** There shall be measures for detecting fire such as fire alarms in walls, peepholes in doors or smoke detectors in ceilings. There shall be devices for quenching fire such as fire extinguishers or fire hoses that are easily visible and accessible in strategic areas.

**Signage:** There shall be an effective graphic system composed of a number of individual visual aids and devices arranged to provide information, orientation, direction, identification, prohibition, warning and official notice considered essential to the optimum operation of a hospital and other health facilities.

**Parking:** The Project has sufficient provisions for parking spaces to accommodate patients, visitors, clients, doctors, medical and non-medical personnel.

**Zoning:** The different areas of a hospital shall be grouped according to zones as follows:

**Outer Zone** - areas that are immediately accessible to the public: emergency service, outpatient service, and administrative service. They shall be located near the entrance of the hospital.

**Second Zone** - areas that receive workload from the outer zone: laboratory, pharmacy, and radiology. They shall be located near the outer zone.

**Inner Zone** - areas that provide nursing care and management of patients: nursing service. They shall be located in private areas but accessible to guests.

**Deep Zone** - areas that require asepsis to perform the prescribed services: surgical service, delivery service, nursery, and intensive care. They shall be segregated from the public areas but accessible to the outer, second and inner zones.

**Service Zone** - areas that provide support to hospital activities: dietary service, housekeeping service, maintenance and motorpool service, and mortuary. They shall be located in areas away from normal traffic.

**Function:** The different areas of a hospital shall be functionally related with each other.

The emergency service shall be located in the ground floor to ensure immediate access. A separate entrance to the emergency room shall be provided.

The administrative service, particularly admitting office and business office, shall be located near the main entrance of the hospital. Offices for hospital management can be located in private areas.

The surgical service shall be located and arranged to prevent non-related traffic. The operating room shall be as remote as practicable from the entrance to provide asepsis. The dressing room shall be located to avoid exposure to dirty areas after changing to surgical garments. The nurse station shall be located to permit visual observation of patient movement.

The delivery service shall be located and arranged to prevent non-related traffic. The delivery room shall be as remote as practicable from the entrance to provide asepsis. The dressing room shall be located to avoid exposure to dirty areas after changing to surgical garments. The nurse station shall be located to permit visual observation of patient movement. The nursery shall be separate but immediately accessible from the delivery room.

The nursing service shall be segregated from public areas. The nurse station shall be located to permit visual observation of patients. Nurse stations shall be provided in all inpatient units of the hospital with a ratio of at least one (1) nurse station for every thirty-five (35) beds. Rooms and wards shall be of sufficient size to allow for work flow and patient movement. Toilets shall be immediately accessible from rooms and wards.

The dietary service shall be away from morgue with at least 25-meter distance.

Space: Adequate area shall be provided for the people, activity, furniture, equipment and utility.

### **3.5.2. Space Requirements.**

The Hospital facilities and service departments per floor are as follows:

#### ***Basement Area*** (2,036 square meters)

47 Parking Slots with Motorpool for Ambulance  
212 Open Parking  
Pharmacy Central Supply Bulk Storage  
Laundry & Linen Sorting & Office  
Sewage Treatment Monitoring Room

#### ***Ground Floor*** (2,036 square meters)

Admitting & Social Services  
Emergency Room  
Laboratory  
Radiology Unit  
Pharmacy & Central Supply Room  
Billing & Cashier/Philhealth/HMO

**Second Floor** (1,896 sq.m.)

Operating/Delivery Room Complex  
Intensive Care Unit (ICU)  
Endoscopy Unit  
Neonatal Intensive Care Unit (NICU)  
Cath Lab Complex

**Third Floor** (1,896 sq.m.)

16 Bed Dialysis Center  
Diagnostic Unit  
Pulmonary Clinic  
Eye Clinic  
32 OPD Clinics  
Eye Clinics  
Oncology Clinic

**Fourth Floor** (1,896 sq.m.)

Rehab Therapy Center  
Cardio Center  
Wellness Unit  
32 OPD Clinics  
1 Dental Clinic  
52-Seat Chapel

**Fifth Floor** (1,896 sq.m.)

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Sixth Floor** (1,896 sq.m.)

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Seventh Floor** (1,896 sq.m.)

41 Single Beds Private Rooms  
2 Semi Private Rooms  
2 Suite Rooms  
1 Isolation Room  
1 6-Bed Male Ward  
2 Nurse Stations  
Prayer Room

**Eight Floor** (1,896 sq.m.)

Administrative Offices  
Board Room  
Accounting & Treasury  
Medical Records Room  
4 Department Heads Room  
Family Medicine Room  
40 Seats Nurse Training & Chief Nurse  
Auditorium/Function Room  
Dietary Unit

**3.6. Description of Services**

The approach of ACE Medical Center Zamboanga is the establishment of a policy-driven healthcare facility that ensures safe and quality care including state of the art Operating Room Unit, first-in-the-city Eye Center and Dental Center inside the building.

The hospital consists of the following main departments:

**DEPARTMENT OF INTERNAL MEDICINE**

The Department of Internal Medicine includes physicians whose primary role is to provide medical care in the hospital. This team of providers includes physicians, resident physicians and nurse practitioners, who work closely with bedside nurses, social workers, physical therapists and other staff to provide thoughtful, safe, collaborative and effective medical care.

Objectives:

- a. To provide prompt, updated medical care for patients
- b. To maintain a high standard of ethical and professional service in the various field of Internal Medicine.
- c. To support the continuing medical education programs for the medical staff and paramedical personnel

- d. To develop a residency training program in Internal Medicine with the ultimate goal of accreditation by the Philippine College of Physicians (PCP).
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among medical staff

## **DEPARTMENT OF OBSTETRICS AND GYNECOLOGY**

The Department of Obstetrics and Gynecology focuses in women's health and wellness by providing high quality patient care, educating future leaders, and fulfilling innovative research within a highly collaborative environment. It is a leading institution in all aspects of women's health with nationally recognized programs in obstetrics and gynecology, including high-risk pregnancy, reproduction genetics, gynecology, breast disease, infertility, contraception and cancer.

Objectives:

- a. To provide prompt, updated obstetrical and gynecologic care for patients.
- b. To maintain a high standard of ethical and professional service in the various fields of Obstetrics & Gynecology
- c. To support the continuing medical education programs for the medical staff and paramedical personnel.
- d. To develop a residency training program in Obstetrics& Gynecology with the ultimate goal of accreditation by the Philippine Board of Obstetrics and Gynecology (PBOGS).
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among medical staff.

## **DEPARTMENT OF PEDIATRICS**

The Department of Pediatrics promotes the health of children and adolescents with a balanced program that seeks new knowledge through research, provides outstanding educational opportunities, delivers high quality comprehensive clinical care and service, advocates vigorously for children and adolescents, and is responsive to the changing needs of our community and society.

Objectives:

- a. To provide optimum child health care for the community based on professional skills, knowledge, and experience.
- b. Develop camaraderie, understanding, and unity among consultant staff.
- c. Encourage each and every pediatrician to formulate and implement cost-effective therapeutic regimens
- d. Plan towards standardization of specific service units to meet the requirements of the PPS-Hospital Accreditation Board of Residency Training Program, through

which we would be proficient enough to deliver the best medical services to our patients.

## **DEPARTMENT of SURGERY**

The department of surgery treats patients both in emergency situations and for scheduled procedures. Scopes of services of the departments are:

- Inpatient services to patients diagnosed with a disease that requires surgery.
- Provides outpatient treatment for patients in the outpatient surgery clinic.
- Providing subspecialty surgical services to patients in the clinic and beyond
- Subspecialty surgical procedure under general surgery department based on the time or even during an emergency.
- Perform outpatient surgical procedures.
- Helping patients to achieve optimal health status while in hospital.

Objectives:

- a. To provide prompt, updated surgical care for patients.
- b. To maintain a high standard of ethical and professional service in the various fields of surgery.
- c. To support the continuing medical education programs for the medical staff and paramedical personnel.
- d. To develop and maintain a residency-training program in General Surgery accredited by the Philippine College of Surgeons.
- e. To implement hospital policies emanating from the Board of Directors, Hospital Administrator, Medical Director and Chief of Clinics.
- f. To promote camaraderie among the medical staff.

## **DEPARTMENT OF ANESTHESIA**

The Department of Aesthesia, has a mission to provide safe, effective, and ethical care to our patients. The Anesthesiology Department shall be responsible for providing all primary anesthesia and pain management services. This includes, but is not limited to, general and regional anesthesia in operating suites, obstetrics, emergency room, radiology and intensive care. Anesthesia services shall be available twenty-four (24) hours of the day and night for emergency cases.

Objectives:

- a. Select, implement, and evaluate anesthesia management plans
- b. Implement the anesthesia plan employing the full scope of anesthesia practice include both general and regional anesthesia
- c. Perform and utilize associated procedures needed during the anesthetic management of the patient



- d. Perform, within medically established guidelines, resuscitation of the newborn infant, child, or adult or as the need arises

## **CLINICAL PATHOLOGY DEPARTMENT**

The Department performs pathologic examinations efficiently and accurately in the shortest possible time with the least use of materials and reagents for confirmation of clinical impression, screening, or detection of diseases, for prognosis and for therapeutic management, to aid the physicians in the management of their patients.

The Department caters to the needs of clinical or surgical services of the hospital. It also serves as training field for undergraduate medical students and paramedical personnel. CPD shall assess nosocomial environmental conditions in the hospital.

The Department of Pathology involves the study and diagnosis of diseases through examination of the surgically removed organ, tissues (biopsy samples), body fluids and in some cases the whole body (autopsy). It promotes understanding the basis of diseases, teaching knowledge to others and to apply understanding to improve medical diagnosis and treatment of patient leading to improve diagnosis, treatment and eventually, prevention.

Objectives:

- a. To provide prompt, updated, and accurate pathologic result.
- b. To maintain a high standard of ethical and professional service in the field of pathology.
- c. To support the continuing medical education program for the staff and personnel.
- d. To implement hospital policies from the Hospital board and administration.

## **RADIOLOGY DEPARTMENT**

The Department of Radiology uses medical imaging to diagnose and treat diseases such as radiography, ultrasound, computed tomography, and magnetic resonance imaging. It functions under the control of Radiologists and qualified technical staff.

The Department shall provide the hospital with high quality radiological services as required for Good Patient Care. These shall be achieved by the adherence to the following criteria:

- All procedures are to be done on a strict basis of clinical priority and confidentiality.
- All services are to be provided only upon the knowledge of the referring physician.
- Adherence to radiation safety shall conform with the guidelines provided by the Radiation Health Office.

- Assistance shall be provided to other hospital departments in the development of optimal clinical diagnosis and management and protocols.
- Prospective clinical research program will be developed.
- Continuing Education Program for all the staff shall be maintained.

## **INFECTION CONTROL DEPARTMENT**

The Infection Control Department has the authority to institute any appropriate control measures or studies and to recommend corrective action within any department, when there is considered to be a danger to any patient or to personnel. The Infection Control Department has the ultimate authority, in the event that there is a question or disagreement in relation to infection control policy or procedure. To facilitate early and complete reporting, the Infection Control Department, Infection Practitioner or the Registered Nurse on the patient care unit has the authority to initiate culture and sensitivity testing and institute any appropriate isolation procedures. When any of these actions are taken, the physician responsible for the patient will be notified.

The Department's Objectives are:

- To establish a functional surveillance system for control of nosocomial infections.
- To identify, through the surveillance system, any specific problem areas in need of administrative or professional resolution and report to the medical staff of the hospital.

## **EMERGENCY DEPARTMENT**

The Emergency Room department is a vital part of the hospital as it is the first to receive patients needing immediate medical attention, either because of the life-threatening condition, multiple injuries or severity of symptoms. It is especially equipped with the life-saving devices and trained personnel to handle emergency cases.

The Department's Objectives are:

- Providing competent emergency care at all times by a team of qualified and experienced Emergency Room personnel.
- Providing prompt, lifesaving treatment without discrimination.
- Maintaining the highest standards of emergency care facility.

## **REHABILITATION MEDICINE AND PHYSICAL THERAPY**

The Rehabilitation Department caters to individuals who have impairments, functional limitations, disabilities, or changes in physical function and health status resulting from injury, disease or other causes. By designing and implementing therapeutic interventions that may include, but not limited to pharmacologic management, therapeutic exercises, functional training in self-care and home management, manual therapy techniques, prescription and fabrication of assistive and orthotic devices, electrotherapeutic modalities, physical agents and medical modalities, the Rehabilitation Medicine and

Physical Therapy Center alleviates impairment and functional limitations. Cases handled vary from neurological, musculoskeletal, cardiopulmonary and pediatric among others. The patient load will consist of in-patients, out-patients and those who will need domiciliary services

The Department's main objectives are:

- Establishing a comprehensive treatment plan to restore the patient to his highest functional mobility, activities of daily living, community reintegration, workplace requirements and recreation.
- Provision of patient and family education which is a cornerstone to all clinical programs.
- Planning of individualized exercises to increase of daily activities, increase musculoskeletal strength, maximize cardiovascular fitness.

## **PULMONARY DEPARTMENT**

The Department provides immediate cardio-pulmonary management, as requested by the Physician, that will help lead in the accurate diagnosis of an illness for proper administration of therapeutic procedure.

The Department's Objectives include:

- To deliver official results of the procedures within 24 hours.
- To respond during Code Blue.
- To provide ventilatory support to intubated patient.
- To gradually remove mechanically intubated patient from ventilator.
- To provide accurate pulmonary diagnostic procedure:
  - a. Blood Gas Analysis (ABG)
  - b. Pulmonary Function Test (PFT)
  - c. Peak Expiratory Flow Measurement (PEFR)
- To provide effective pulmonary therapeutic procedures:
  - a. Aerosol Therapy (Nebulization)
  - b. Intermittent Positive Pressure Breathing Therapy (IPPB)

## **OUT-PATIENT DEPARTMENT**

This is a combination of several departments is a miniature version of the hospital except that the patient is ambulatory. Physicians with different specializations provide services. Individual patients come to consult or receive treatment, others go back to the physician to assess their progress following discharge from hospital.

Department's Objectives include:

- To be the channel of our foremost goal which is to provide "Quality Service" to our clientele. Their satisfaction is our top most priority.
- To ensure that all patients for consultation are given proper assessment before they are decked to the concerned doctor.
- To ensure that all necessary documents are properly prepared, kept and organized.
- To enhance secretaries' knowledge in handling patients.

## **ADMINISTRATIVE DEPARTMENT**

This Department accommodated complaints of patients and their relatives and other hospital problems/issues. Proper approach is needed in dealing with patient's relatives and hospital staff.

Objectives:

- To man the department with qualified and competent staff able to handle and meet the needs & satisfaction of patients being admitted in the hospital.
- To ensure that the staffs' responsibilities & obligations are being observed with quality output and at the same time given job descriptions are properly followed.
- Ensure that the existing policies & regulation of the hospitals pertaining to professional fees, discounts, promissory notes & discharge of patients are properly observed.
- Make sure that less patients will be seeking for social service assistance instead convince & encourage them to settle their bills and or issue collateral prior to discharge.
- To be able to meet all the required assignments of the department within the allowable or least time with quality output.

## **BILLING SECTION**

The Billing Section is one of the major components of hospital operation. This unit is working based on the revenue of the different departments of the hospital. A proper coordination and communication with the Doctors and staff are very vital in this unit.

Objectives:

- To provide efficient, accurate computation and fastest service to patient, in accordance with the implementing guidelines and hospital policy.
- To provide good service and customer total satisfaction.
- To improve service to patients in order to shorten the processing of their bills or minimize if not eliminate occurrence of "late bills".

## **PHARMACY / THERAPEUTICS DEPARTMENT**

This Department serves as the vital link in the chain of health professionals dedicated to patient care. The Pharmacist will provide at all times an adequate supply of safe effective and good quality drugs in appropriate dosage forms consistent with the needs of the patients and to rationalize drug utilization in collaboration with the medical staff.

Objectives:

- To properly utilize the Pharmacy Service to the maximum geared toward the actual dynamics of better patient care.
- To provide at all times, medications of the highest standard in appropriate dosage forms consistent with needs of the patients in collaboration with the medical staff.
- To rationalize drug utilization and procurement in collaboration with the Pharmacy and Therapeutics Committee.
- To render effective and efficient professional service to in and out patients of all economic levels.
- To maintain an adequate system of stock and inventory control and must have the ability to control operational cost without comprising services.

## **CENTRAL SUPPLIES DEPARTMENT**

The CS Department has the following personnel: the department head, the assistant head and four (4) clerks. The department is open office hours servicing all sectors of the hospitals.

The CS department will serve as essential link in the chain of hospital health service dedicated to patient care. The department will provide at all times an adequate supply of safe, effective and quality products for the need of the patients.

Objectives:

- To improve patient care by providing the necessary sterile and un-sterile supplies, articles and equipment in the nursing units and other department of the hospital.
- To provide and maintain products and emergency equipment made safe for patient use.
- To ensure proper sterilization of supplies relevant to hospital procedure.

## **PSYCHIATRY DEPARTMENT**

The Department of Psychiatry and Behavioral Services, include physicians whose primary role is to provide comprehensive mental health and counseling services. This team of providers includes physicians who work closely with nurses and other staff to provide expert and effective psychiatric care.

## Objectives:

- a. To provide advanced, evidenced-based individualized treatment care plan based on latest research;
- b. To maintain a high standard of ethical and professional service in mental health and counseling services
- c. To support the continuing medical education program for the staff and personnel
- d. To implement hospital policies emanating from the Board of Directors, Hospital Administrators, Medical Director and Chief of clinics
- e. To promote camaraderie among the staff

### 3.7. Technical Requirements

The Hospital is registered with DOH- Health Facilities and Services Regulatory Bureau of the Department of Health, in addition to obtaining the necessary official licenses and approvals prior to the issuance of the License to Operate by the DOH.

ACE Medical Center Zamboanga has been issued a Permit to Construct (PTC) No.16-0600 dated 31 May 2016 by the DOH. **(Attached as Annex 1)**.

As of July 2022, the hospital's structural works is at 100%, masonry works 100%, architectural works 94%, mechanical works 97%, electrical works 93%, sanitary plumbing works 96%, and fire protection works 97%. Estimated to be completed on or before January 2023.

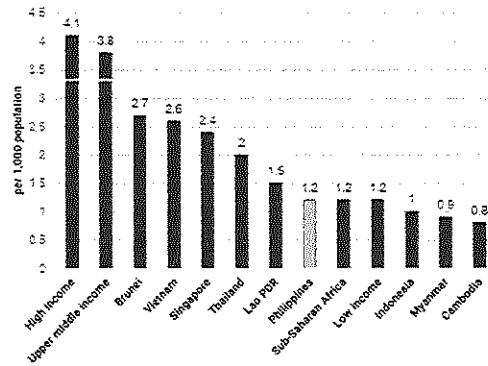
Outpatient visits and treatments for patients with admission and surgery primary sources of Hospital revenue. Additional sources of income are generated from other supporting services which include but not limited to the following: pharmaceutical, emergency, laboratory, endoscopy, x-ray and other services for effective medical treatment of patients.

## IV. BED POPULATION ANALYSIS

An indicator of health service availability is the number of hospital bed capacity. It is also indicative of how equitable is the access to health facilities in the region.

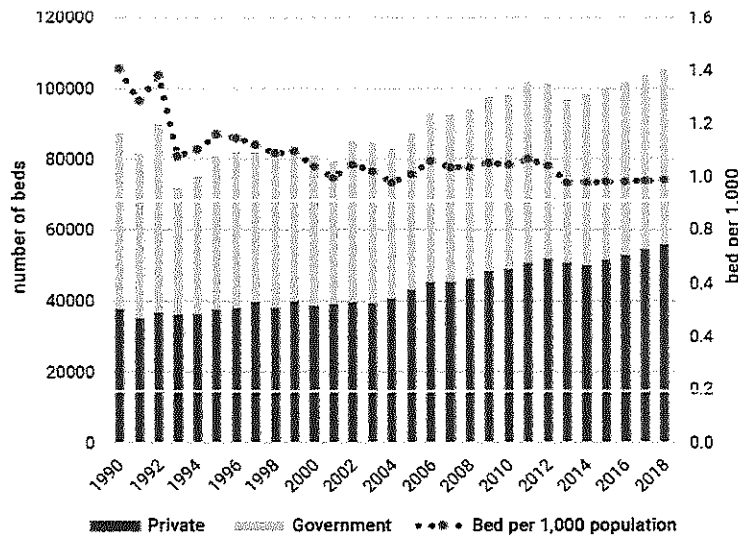
Hospitals are scarce as highlighted under the Philippine Health Facility Development Plan 2020-2040. In 2018, there were 1,200 licensed hospitals in the country. While the number of hospital beds has increased over the years, it has not kept pace with the fast-growing population. The current bed to population ratio (1.2 bed per 1000 population) is comparable to those of the poorest countries in the world (World Bank, 2020) (see Figure 2).

**Figure 2. Bed to Population ratio in Asean and Selected Geographical Locations, Latest Available Year.**



The number of private beds has increased over the years, from 4,000 in 1990 to 6,000 in 2018 (green bar), but the bed to population ratio has declined because of the slow growth of public beds and the rapid population growth (see Figure 3).

**Figure 3. Number of Hospital Beds, Philippines, 1990-2018.**



Different levels of hospital care are limited in some provinces and regions. All provinces and HUC/ICCs should have at least Level 1 and 2 hospitals. However, of the 114 provinces and HUC/ICCs, 6 (5%) and 33 (29%) lack Level 1 and 2 hospital beds, respectively.

Based on the Philippines Health Agenda for 2016-2022, the recommended bed-to-population ratio is 1:800. That is, 1 general hospital bed for every 800 population. The World Health Organization (WHO) recommends a bed-population ratio of 1:500 for developing countries.

Moreover, according to the Philippine Health Facility Development Plan 2020-2040 (PHFDP 2020-2040) , the country has 105,000 hospital beds with a bed density similar to the poorest countries in the world (1.2 per 1,000 population). Upper middle-income and high-income countries, which the Philippines is projected to become by 2021 and aspires to be by 2040 have bed density of 4 per 1,000 population, on average. An additional 400,000 beds are needed, majority of which are Level 1 beds, to meet the projected hospital care by 2040 (around 2.7 beds per 1,000 population).

The PHFDP 2020-2040 further highlights the need to expand the number of hospital beds based on various levels of healthcare facilities per region.

In Zamboanga Peninsula, there is a projected gap of **6,644 hospital beds** in level 1 hospitals, **2,684 hospital beds** in level 2 hospitals; and **2,447 hospital beds** in level 3 hospitals by the year 2025.

This gap in beds may be addressed by building new hospitals or by expanding existing hospitals or infirmaries.

**Table 18 Supply and Need for Level 1 Hospital Beds**

Region	Current supply (2019) (a)	Projected need for L1 beds in 2025 (b)	Projected additional need for L1 bed (c)			Cumulative Projected need for L1 beds in 2025-2040 (d)
			2030	2035	2040	
NCR	3,135	23,548	2,544	2,849	3,189	32,130
CAR	803	3,167	328	362	402	4,259
I - Ilocos	1,597	8,784	732	787	849	11,152
II - Cagayan	1,913	6,234	571	624	675	8,104
III - Central Luzon	2,901	21,309	2,599	2,902	3,244	30,054
IVA - CALABARZON	4,755	29,650	4,993	5,851	6,851	47,345
IVB - MIMAROPA	1,269	5,569	612	684	762	7,627
V - Bicol	1,666	10,609	979	1,059	1,147	13,794
VI - Western Visayas	2,007	13,467	1,211	1,308	1,407	17,393
VII - Central Visayas	1,488	13,982	1,608	1,801	2,021	19,412
VIII - Eastern Visayas	1,789	8,012	749	832	931	10,524
<b>IX - Zamboanga Peninsula</b>	<b>1,297</b>	<b>6,644</b>	<b>718</b>	<b>785</b>	<b>854</b>	<b>9,001</b>
X - Northern Mindanao	1,923	9,060	1,126	1,258	1,404	12,848
XI - Davao Region	1,196	9,339	1,135	1,264	1,406	13,144
XII - SOCCSKSARGEN	2,347	9,131	1,321	1,510	1,725	13,687
XIII - CARAGA	567	4,785	476	526	585	6,372
BARMM	841	7,928	1,207	1,391	1,603	12,129
<b>Total</b>	<b>31,494</b>	<b>191,218</b>	<b>22,909</b>	<b>25,793</b>	<b>29,055</b>	<b>268,975</b>

*Note: Military hospital beds are excluded in the current supply as they are not for general public use.*

*a - Current supply of beds as of 2019 (Source: National Health Facility Registry and 2019)*

*b - Projected total need by 2025 to meet population demand*

*c - Projected additional need for 2030, 2035 and 2040 to meet population demand for the given year*

*d - Cumulative projected need from 2025-2040*



**Table 19 Supply and Need for Level 2 Hospital Beds**

Region	Current supply (2019) (a)	Projected need for L2 beds in 2025 (b)	Projected additional need for L2 bed (c)			Cumulative Project- ed need for L2 beds in 2025-2040 (d)
			2030	2035	2040	
NCR	2,725	9,338	940	1,123	1,351	12,752
CAR	534	1,258	116	137	162	1,673
I - Ilocos	1,653	3,545	268	315	368	4,496
II - Cagayan	1,120	2,481	203	242	284	3,210
III – Central Luzon	4,000	8,504	995	1,179	1,401	12,079
IVA - CALABARZON	6,589	11,749	1,839	2,240	2,745	18,573
IVB – MIMAROPA	307	2,235	223	263	313	3,034
V - Bicol	1,274	4,266	358	418	495	5,537
VI - Western Visayas	1,972	5,378	440	511	602	6,931
VII - Central Visayas	1,859	5,639	596	708	840	7,783
VIII - Eastern Visayas	692	3,241	272	317	372	4,202
<b>IX - Zamboanga Peninsula</b>	<b>1,062</b>	<b>2,684</b>	<b>275</b>	<b>321</b>	<b>379</b>	<b>3,659</b>
X - Northern Mindanao	2,710	3,640	419	492	582	5,133
XI – Davao Region	2,114	3,767	428	502	593	5,290
XII SOCCSKSARGEN	1,929	3,670	490	579	695	5,434
XIII – CARAGA	2,725	9,338	940	1,123	1,351	12,752
BARMM	1,085	1,921	166	191	228	2,506
<b>Total</b>	<b>32,063</b>	<b>76,581</b>	<b>8,531</b>	<b>10,143</b>	<b>12,140</b>	<b>107,395</b>

Note: Military hospital beds are excluded in the current supply as they are not for general public use.

a - Current supply of beds as of 2019 (Source: National Health Facility Registry and 2019)

b - Projected total need by 2025 to meet population demand

c - Projected additional need for 2030, 2035 and 2040 to meet population demand for the given year

d - Cumulative projected need from 2025-2040

**Table 20 Supply and Need for Level 3 Hospital Beds**

Region	Supply of L3 beds (2019) (a)	Need for L3 beds in 2025 (b)	Projected additional need for L3/ Apex beds (c)			Cumulative Need for L3 beds in 2025-2040 (d)
			2030	2035	2040	
NCR	13,140	10,876	1,857	1,946	1,985	16,664
CAR	680	1,200	154	165	179	1,698
I - Ilocos	1,000	3,391	363	380	393	4,527
II - Cagayan	806	2,351	274	294	313	3,232
III – Central Luzon	2,094	8,468	1,417	1,596	1,793	13,274
IVA - CALABARZON	1,702	11,841	2,534	2,985	3,503	20,863
IVB – MIMAROPA	0	2,084	290	325	362	3,061
V - Bicol	850	3,939	454	485	515	5,393
VI - Western Visayas	2,446	5,265	674	734	799	7,472
VII - Central Visayas	2,783	5,611	803	802	765	7,981
VIII - Eastern Visayas	1,129	3,010	360	396	438	4,204
<b>IX - Zamboanga Peninsula</b>	<b>400</b>	<b>2,447</b>	<b>312</b>	<b>338</b>	<b>363</b>	<b>3,460</b>
X - Northern Mindanao	560	3,376	499	553	611	5,039
XI – Davao Region	2,630	3,721	610	680	758	5,769

XII SOCCSKSARGEN	823	3,390	554	620	690	5,254
XIII – CARAGA	0	1,783	216	232	249	2,480
BARMM	0	2,722	356	381	402	3,861
Total	31,043	75,475	11,726	12,913	14,119	114,233

*Note: Military hospital beds are excluded in the current supply as they are not for general public use.*

*a - Current supply of beds as of 2019 (Source: National Health Facility Registry and 2019)*

*b - Projected total need by 2025 to meet population demand*

*c - Projected additional need for 2030, 2035 and 2040 to meet population demand for the given year*

*d - Cumulative projected need from 2025-2040*

## V. FINANCIAL ANALYSIS

The Financial Part illustrates all the assumptions which were used when we developed the study including project expenses related to capital expenditures, operating expenses (Fixed and Variable costs) followed by illustrating project revenues.

### *Assumptions*

- The weighted average cost of capital used in the study is 3.0% as it was calculated considering risk free and debt interest rates as well as market risk premiums to consider alternative opportunity costs for investor.
- Income tax on the net project income is 30% during the lifetime of the project.
- The time span for the financial study is 10 years starting from 2023 up to 2032, where annual increase rates of 1.25 have been estimated.

ACE Medical Center – Zamboanga will have a total project construction cost of Php 1,200,000.00. Since incorporation, the Hospital is primarily focused in the construction of the hospital building and purchase of medical equipment. The Hospital intends to start its operations on the last quarter of 2022 until the first quarter of 2023.

The Project will generate revenue from year 2023 to 2032 (**Table \_\_\_**) as it expects to be operational on the last quarter of 2022 until the 1<sup>st</sup> quarter of 2023.

On the first year of operations, the Project will be generating a gross revenue of Php 862,308,000.00. On 2032, the projected gross revenue is Php 6,424,695,253.32, with an annual increase rate of 1.25 (25%). The 25% increase rate is based on the relatively conservative increase in revenues of other hospitals in the Region.

The Hospital may generate a projected total gross revenue of Php 28,674,244,266.60 during the first 10 years of its operations.

**Table 5. Financial Forecast of ACE Medical Center – Zamboanga**

Indicator	Details
Total Investment Cost	Php 1,200,000.00
Job Allocation	350 medical and non-medical personnel
Total Revenue First Year	Php 862,308,000.00
Total Revenue First Year – Year 10	Php 28,674,244,266.60

### 5.1. Bank Loan Terms

The Hospital incurred a credit line agreement from Development Bank of the Philippines for the principal amount of Php 450,000,000.00 for the ongoing hospital building construction and Php 430,000,000.00 for the ongoing purchase of medical equipment with initial interest of 5.25% per annum and 5.00% per annum with maturity dates on 2 February 2034 and 5 July 2031 respectively.

**Table 21**

Name of Debtor	Amount of Debt	Interest	Maturity Date
Development Bank of the Philippines (DBP)	P 450,000,000.00 (Hospital Bldg Construction)	5.25% per annum	February 2, 2034
Development Bank of the Philippines (DBP)	P 430,000,000.00 (Medical Equipment)	5.00% per annum	July 5, 2031
<b>TOTAL</b>	<b>P 880,000,000.00</b>		

**Table 22**

Notes	DBP Loan 1 – Construction of Hospital	DBP Loan 2 – Equipment and Utilities
Date Entered	December 3, 2018	July 1, 2021
Purpose	Finance the construction of the hospital building	Partly finance its acquisition of hospital equipment and building utilities
Principial Amount	Php 450,000,000.00	Php 430,000,000.00
Maturity	15 years, with 3 years grace period	10 years, with 2 years grace period
Interest Rate	5.25 % per annum	5.00 % per annum

DBP Loan 1 is wholly secured by the Issuer's land and project under construction. As of December 2021, the Issuer has only availed a cumulative amount of Php 427,500,00.00. DBP Loan 2 is secured with movable assets as listed in Annex C of its security agreement with DBP (Attached as Annex "6" and series. As of December 2021, the Issuer has only availed Php 180,000,000.00 of said credit line.

## 5.2. Summary of Financial Information

### 5.2.1. Financial Condition – December 31, 2021 vs. December 31, 2020

**Table 23**

	As of December 31, 2021	As of December 31, 2020
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash	13,329,211	46,931,457
Other current assets	63,939,839	31,971,903
<b>Total Current Assets</b>	<b>77,269,050</b>	<b>78,903,360</b>
<i>Non Current Assets</i>		
Property and equipment, net	90,942,504	35,759,650
Construction in Progress	557,373,311	281,289,561
Intangible asset, net	173,661	107,143
<b>Total Non Current Assets</b>	<b>648,488,476</b>	<b>317,156,354</b>
<b>Total Assets</b>	<b>725,757,526</b>	<b>396,059,714</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<i>Current Liabilities</i>		
Trade and Other payables	64,518,527	1,191,498
<i>Non Current Liabilities</i>		
Loans Payable	607,500,000	360,000,000
<b>Total Liabilities</b>	<b>672,018,527</b>	<b>361,191,498</b>
<i>Shareholder's Equity</i>		
Share Capital	85,607,000	51,500,000
Retained Earnings (deficit)	(31,868,001)	(16,631,784)
<b>Total Shareholder's Equity</b>	<b>53,738,999</b>	<b>34,868,216</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>725,757,526</b>	<b>396,059,714</b>

#### *Total Assets*

The total assets increased from Php 396,059,714 to Php 725,757,526 from December 31, 2020 until December 31, 2021.

#### *Cash and Cash Equivalentents*

Cash and cash equivalentents decreased from Php 46,931,457 to Php 13,329,21 from December 31, 2020 until December 31, 2021 due to expenses incurred for the construction of the Hospital Building and advances made to suppliers of medical equipment.

#### *Other current assets*

Other current assets increased from Php 31,971,903 to Php 63,939,839 from December 31, 2020 until December 31, 2021.

#### *Property and Equipment*

There is substantial increase in this account due to the acquisition of additional office equipment, furniture and medical equipment and fixtures.

#### *Construction in Progress*

The Construction in Progress increased by Php 276,083,750 due to additional construction cost incurred and capitalized borrowing costs from the bank.

#### *Intangible Assets*

Intangible assets increased from Php 107,143.00 from December 31, 2020 to Php 173,661.00 on December 31, 2021.

#### *Trade and Other payables*

As of December 31, 2021, this account refers to amounts payable to contractors totaling Php 64,518,527.00. Trade and other payables are non-interest bearing and are payable within one year after reporting period.

#### *Loans Payable*

The Issuer has entered into term loan agreements with the DBP to finance the construction of the hospital and the purchase of medical equipment. The Issuer has availed the total amount of Php 607,500,000.00 from DBP arising from both credit facility.

#### *Total Liabilities*

The total liabilities increased from Php 361,191,498 to Php 672,018,527.00 primarily due to the availment of the credit facilities for construction costs.

#### *Share Capital*

There is an increase in the Share Capital from Php 51,500,000 on December 31, 2020 to Php 85,607,000.00 on December 31, 2021 which was due to the increased payment by the shareholders of their respective subscription.

#### *Retained Earnings*

The Issuer's deficit increased to Php 31,868,001 in 2021 from Php 16,631,784 in 2020. This increase was due to the net loss incurred in 2021 which amounted to Php 15,236,217.00.

#### *Equity*

The increase in equity resulted from the availment of credit facility/loans from DBP.

### **5.2.2. Financial Condition – December 31, 2020 vs. December 31, 2019**

**Table 24**

	As of December 31, 2020	As of December 31, 2019
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash	46,931,457	136,144,341
Other current assets	31,971,903	8,998,505
<b>Total Current Assets</b>	<b>78,903,360</b>	<b>145,142,846</b>
<i>Non Current Assets</i>		
Property and equipment, net	35,759,650	34,045,009
Construction in Progress	281,289,561	71,640,169
Intangible asset, net	107,143	-
<b>Total Non Current Assets</b>	<b>317,156,354</b>	<b>105,685,178</b>
<b>Total Assets</b>	<b>396,059,714</b>	<b>250,828,024</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<i>Current Liabilities</i>		
Trade and Other payables	1,191,498	4,358
<i>Non Current Liabilities</i>		
Loans Payable	360,000,000	225,000,000
<b>Total Liabilities</b>	<b>361,191,498</b>	<b>250,828,024</b>
<i>Shareholder's Equity</i>		
Share Capital	51,500,000	36,000,000
Retained Earnings (deficit)	(16,631,784)	(10,176,334)
<b>Total Shareholder's Equity</b>	<b>34,868,216</b>	<b>25,823,666</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>396,059,714</b>	<b>250,828,024</b>

**Total Assets**

The total assets increased from Php 250,828, 024 on 31 December 2019 to Php 396,059,714 on 31 31 December 2020.

**Cash and Cash Equivalentents**

Cash and cash equivalentents decreased from Php 136,144,341 to Php 46,931,457 from December 31, 2019 until December 31, 2020 primarily due to expenses incurred for the construction of the Hospital Building and advances made to suppliers of medical equipment.

**Other current assets**

Other current assets increased from Php 8,998,505 to Php 31,971,903 from December 31, 2019 until December 31, 2020.

**Property and Equipment**

The account for property and equipment increased from Php 34,045,009 to Php 35,759,650 due to acquisition of the Hospital's office furniture, equipment and other medical equipment.

**Construction in Progress**

The Construction in Progress substantially increased from Php 71,640,169.00 to Php 276,083,750 primarily due to importation of materials in relation with the construction of the Hospital Building held as collateral to secure the loan term agreement with DBP.

**Intangible Assets**

Intangible assets are now recorded to be Php 107,143.00 for the period ended December 31, 2020.

*Trade and Other payables*

Trade and Other payables amounts to Php 1,191,498.00 which are due or payable to contractors as of December 31, 2020. Trade and other payables are non-interest bearing and are payable within one year after reporting period.

*Loans Payable*

The Issuer has entered into a loan term agreement to finance its capital expenditures, primarily the construction of the hospital (Php 450,000,000.00). The Issuer has only availed the cumulative amount of Php 360,000,000.00 as of December 31, 2020 arising from said loan term agreement. A substantial increase from Php 225,000,000.00 as of December 31, 2019 in light of the additional constructions costs incurred.

*Total Liabilities*

The total liabilities increased from Php 250,828,024 as of December 31, 2019 to Php 361,191,498 as of December 31, 2020 due to the availment of loan with DBP.

*Share Capital*

There is an increase in the Share Capital from Php 36,000,000 on December 31, 2019 to Php 51,500,000 as of December 31, 2020 primarily due to increased paid up capital of shareholders.

*Retained Earnings*

The Issuer's deficit increased to Php 10,176,334.00 on December 31, 2019 to Php 16,631,784 on December 31, 2020. This increase was due to the net loss incurred in 2020 in the amount of Php 6,455,450.00.

*Equity*

There is an increase in shareholder's equity from Php 25,823,666 as of December 31, 2019 to Php 34,868,216.00 as of December 31, 2020.

**5.2.3. Financial Condition – December 31, 2019 vs. December 31, 2018**

**Table 25**

	As of December 31, 2019	As of December 31, 2018
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash	136,144,341	65,962,501
Other current assets	8,998,505	4,389,288
<b>Total Current Assets</b>	<b>145,142,846</b>	<b>70,351,789</b>
<i>Non Current Assets</i>		
Property and equipment, net	34,045,009	18,220,878
Construction in Progress	71,640,169	34,470,804
<b>Total Non Current Assets</b>	<b>105,685,178</b>	<b>52,691,682</b>
<b>Total Assets</b>	<b>250,828,024</b>	<b>123,043,471</b>
<b>LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		
<i>Current Liabilities</i>		

Trade and Other payables	4,358	4,400
<i>Non Current Liabilities</i>		
<i>Due to related parties</i>	–	3,163,932
Loans Payable	225,000,000	90,000,000
<b>Total Liabilities</b>	<b>250,828,024</b>	<b>93,168,332</b>
<i>Shareholder's Equity</i>		
Share Capital	36,000,000	36,000,000
Retained Earnings (deficit)	(10,176,334)	(6,124,861)
<b>Total Shareholder's Equity</b>	<b>25,823,666</b>	<b>29,875,139</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>250,828,024</b>	<b>123,043,471</b>

### *Total Assets*

The total assets increased from Php 123,043,471.00 on 31 December 2018 to Php 250,828,024.00 on 31 December 2019.

### *Cash and Cash Equivalents*

Cash and cash equivalents increased from Php 65,144,341 on 31 December 2018 to Php 136,144,341 on December 31, 2019 primarily due to payment received from unpaid subscription from shareholders.

### *Other current assets*

Other current assets increased from Php 4,389,288.00 on December 31, 2018 to Php 8,998,505 on December 31, 2019.

### *Property and Equipment*

The account for property and equipment increased from Php 18,220,878.00 on December 31, 2018 to Php 34,045,009 on December 31, 2019 primarily due to acquisition of the Hospital's office furniture, equipment and other medical equipment.

### *Construction in Progress*

The Construction in Progress increased from Php 34,470,804.00 on December 31, 2018 to Php 71,640,169.00 on December 31, 2019.

### *Trade and Other payables*

Trade and Other payables amounts to Php 4,400.00 which represents amounts due or payable to contractors as of December 31, 2020. Trade and other payables are non-interest bearing and are payable within one year after reporting period.

### *Loans Payable*

The Issuer has entered into a loan term agreement to finance its capital expenditures, primarily the construction of the hospital (Php 450,000,000.00). The Issuer has only availed the cumulative amount of Php 225,000,000.00 as of December 31, 2019 from Php 90,000,000.00 availed by the Issuer as of December 31, 2018.

### *Total Liabilities*

The total liabilities increased to Php 250,828,024.00 as of December 31, 2019 from Php 93,168,332.00.



### Share Capital

There is no increase in Share Capital in the amount of Php 36,000,000 from December 31, 2018 to December 31, 2019.

### Retained Earnings

The Issuer's deficit increased to Php 10,176,334.00 on December 31, 2019 to Php 6,124,861.00 in 2018. This increase was due to the net loss incurred in 2019 which amounted to Php 4,051,473.00. There were no appropriations and dividend declarations made for the years ended December 31, 2018 and 2019.

### Equity

There is a decrease in shareholder's equity from Php 29,875,139.00 as of December 31, 2018 to Php 25,823,666.00 as of December 31, 2019.

The summary of financial and operating information of the Hospital presented below as of and for the years ended December 31, 2021, 2020 and 2019 were derived from the consolidated financial statements of Hospital and prepared in compliance with the Philippine Financial Reporting Standards ("PFRS").

### 5.3. Summary of Financial and Operating Information

The financial and operating information of the Hospital presented below as of and for the seven (7) months ended July 31, 2022 were derived from the unaudited consolidated financial statements of the Hospital prepared in compliance with Philippine Accounting Standards ("PAS") 34, "Interim Financial Reporting" and reviewed in accordance with Philippine Standards on Reviewing Engagements ("PSRE") 2410, "Review of Interim Financial Information performed by the Independent Auditors of the Entity."

The historical financial condition, results of operations and cash flows of the Hospital are not a guarantee of its future operating and financial performance.

**Table 26. Consolidated Statements of Income Data**

	For the years ended 2021, 2020, 2019			For the 7 months ended July 31, 2022 and April 30, 2022	
	2021	2020	2019	May-July 2022	Jan-April 2022
	(Audited)			(Audited)	
	(in millions except per share figures or where otherwise indicated)				
<b>Consolidated Statements of Income Data (In millions)</b>					
Revenues	-	-	-	-	-
Cost of Revenues	-	-	-	-	-
Gross Profit	-	-	-	-	-
Operating Expenses	(9.98)	(5.30)	(3.04)	(5.28)	(2.86)

Operating Loss	(9.98)	(5.30)	(3.04)	(5.28)	(2.86)
Finance Cost	(5.26)	(1.15)	(1.01)	(2.53)	(3.47)
Loss before provision for Income Tax	(15.24)	(6.46)	(4.05)	(7.81)	(6.33)
Provision for Income Tax	-	-	-	-	-
<b>NET LOSS</b>	<b>(15.24)</b>	<b>(6.46)</b>	<b>(4.05)</b>	<b>(7.81)</b>	<b>(6.33)</b>

**Table 27. Consolidated Statements of Financial Position Data**

	For the years ended 2021, 2020, 2019			For the 7 months ended July 31, 2022 and April 30, 2022	
	2021	2020	2019	May-July 2022	Jan-April 2022
	(Audited)			(Audited)	
<b>Consolidated Statements of Financial Position Data (In millions)</b>					
<b>ASSETS</b>					
<i>Current assets</i>					
Cash	13.33	46.93	136.14	106.86	145.39
Other current asset	63.94	31.97	9.00	67.02	64.46
<b>Total current assets</b>	<b>77.27</b>	<b>78.90</b>	<b>145.14</b>	<b>173.88</b>	<b>209.85</b>
<i>Noncurrent assets</i>					
Property and equipment, net	90.94	35.76	34.05	92.22	91.14
Construction in progress	557.37	281.29	71.64	595.76	568.60
Intangible asset, net	0.17	0.11	-	0.17	0.17
<b>Total noncurrent assets</b>	<b>648.49</b>	<b>317.16</b>	<b>105.69</b>	<b>688.15</b>	<b>659.92</b>
<b>TOTAL ASSETS</b>	<b>725.76</b>	<b>396.06</b>	<b>250.83</b>	<b>862.03</b>	<b>869.77</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<i>Current Liabilities</i>					
Trade and other payables	64.52	1.19	0.00	0.08	0.01
<i>Noncurrent Liabilities</i>					
Loans payable	607.50	360.00	225.00	622.50	622.50
<b>Total liabilities</b>	<b>672.02</b>	<b>361.19</b>	<b>225.00</b>	<b>622.58</b>	<b>622.51</b>
<i>Shareholders' equity</i>					
Share capital	85.61	51.50	36.00	231.95	231.95
Authorized 180,000 preferred shares at Php1,000 par value; 179,400 common shares at Php1,000 par value; 600 founder shares at Php1,000 par value					
Issued and outstanding 153,000 preferred shares at par; 152,400 common shares at par; 600 founder shares at par					
Additional paid-in capital				53.51	53.51
Retained earnings (deficit)	(31.87)	(16.63)	(10.18)	(46.01)	(38.20)
<b>Total shareholders' equity</b>	<b>53.74</b>	<b>34.87</b>	<b>25.82</b>	<b>239.45</b>	<b>247.26</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>725.76</b>	<b>396.06</b>	<b>250.83</b>	<b>862.03</b>	<b>869.77</b>

**Table 28. Cash Flow Data**

	For the years ended 2021, 2020, 2019			For the 7 months ended July 31, 2022 and April 30, 2022	
	2021	2020	2019	May-July 2022	Jan-April 2022
	(Audited)			(Audited)	
<b>Cash Flow Data (In millions)</b>					
<i>Cash flows from operating activities:</i>					
Loss before provision for income tax	(15.24)	(6.46)	(4.05)	(7.81)	(6.33)
Adjustments to reconcile loss before provision for income tax to operating loss before working capital changes:					
Finance cost	5.26	1.15	1.01	2.53	3.47
Depreciation	0.26	0.23	0.15	-	-
Amortization	0.01	-	-	-	-
Operating loss before working capital changes	(9.71)	(5.08)	(2.89)	(5.28)	(2.86)
Working capital changes:					
Decrease (increase) in:					
Other current asset	(31.97)	(22.97)	(4.61)	(2.57)	(0.52)
Increase (decrease) in:					
Trade and other payables	63.33	1.19	(0.00)	0.07	(64.51)
Net cash used in operating activities	21.65	(26.86)	(7.50)	(7.78)	(67.89)
<i>Cash flows from investing activities:</i>					
Acquisitions of property and equipment	(55.44)	(1.94)	(15.97)	(1.08)	(0.20)
Acquisitions to construction in progress	(276.08)	(209.65)	(37.17)	(27.15)	(11.23)
Acquisitions of intangible asset	(0.08)	(0.11)	-	-	-
Net cash used in investing activities	(331.60)	(211.70)	(53.14)	(28.23)	(11.43)
<i>Cash flows from financing activities:</i>					
Collection of subscription receivable	34.11	15.50	-	-	146.34
Proceeds additional paid-in capital	-	-	-	-	53.51
Proceeds from loans	247.50	135.00	135.00	-	15.00
Finance cost paid	(5.26)	(1.15)	(1.01)	(2.53)	(3.47)
Payment of loans from related parties	-	-	(3.16)	-	-
Net cash provided by financing activities	276.35	149.35	130.82	(2.53)	211.38
Net increase (decrease) in cash	(33.60)	(89.21)	70.18	(38.53)	132.06
Cash at January 1	46.93	136.14	65.96	145.39	13.33
<b>CASH AT DECEMBER 31</b>	<b>13.33</b>	<b>46.93</b>	<b>136.14</b>	<b>106.86</b>	<b>145.39</b>

**5.4. Financial Indicators - Projected Revenues**

The Project will have an estimated gross revenue of Php 836,435,800 in accommodation and medical services and Php 25,872,200 in Pharmacy Operations (Table 14) for a total of Php 862,308,000.00 in its first year of operation. This is based on a very conservative market share of 1.19% (46,120 patients).

**Table 12. Service Revenue**

The Project will generate revenue from year 2023 to 2032 (Table 12) as it expects to be operational on the last quarter of 2022 until the 1<sup>st</sup> quarter of 2023.

On the first year of operations, the Project will be generating a gross revenue of Php 862,308,000.00. On 2032, the projected gross revenue is Php 6,424,695,253.32, with an annual increase rate of 1.25 (25%). The 25% increase rate is based on the relatively conservative increase in revenues of other hospitals in the Region.

The Hospital may generate a projected total gross revenue of Php 28,674,244,266.60 during the first 10 years of its operations.

Particulars		Distribute share per service	Number of Patients	Service Price (In Peso)	Service Revenue (In Peso)
Number of Clients		46120			
I. Accommodations					
A. Bed Occupancy (In-Patient)					
i. Private (Average of 3 days P1,500 per day)		0.25	11,530	4,500	51,885,000
ii. Semi-Private (Average of 3 days - P1,100 per day)		0.10	4,612	3,300	15,219,600
iii. Ward (Airconditioned Average of 3 days P850 per day)		0.75	34,950	2,700	94,365,000
B. ICU (In Patient)		0.015	691.8	15,000	10,377,000
II. Other Medical Services					
A. Operations (In Patient)					
i. Minor		.15	6,918	25,000	172,950,000
ii. Major		.05	2,306	100,000	230,600,000
iii. Severe Operations		.01	461.2	200,000	92,240,000
B. Laboratory					
i. Admitted (Inpatient)		0.8	36,896	1,200	44,275,200
ii. Outpatient		0.65	29,978	500	14,989,000
C. Emergency (Out-patient)		0.25	11,530	1,000	11,530,000
D. Pharmacy (Admitted)		0.8	36,896	2,500	92,240,000
E. Ambulance Transport Services		0.05	2,306	2,500	5,765,000
<b>Total</b>					<b>836,435,800</b>

**Table 14. Projected Revenues during the First 10 Years of Operations (2022-2031)**

	Year 1	Year 2	Year 3	Year 4	Year 5
Accommodation	809,916,800.00	1,012,396,000	1,265,495,000.00	1,581,868,750.00	1,977,335,937.50
Other Medical Services	26,519,000.00	33,148,750.00	41,435,937.50	51,794,921.88	64,743,652.34
Pharmacy Operation	25,872,200.00	32,340,250.00	40,425,312.50	50,531,640.63	63,164,550.78
<b>Total Revenue</b>	<b>862,308,000.00</b>	<b>1,077,885,000.00</b>	<b>1,347,356,250.00</b>	<b>1,684,195,312.50</b>	<b>2,105,244,140.62</b>

	Year 6	Year 7	Year 8	Year 9	Year 10
Accommodation	2,471,669,921.87	3,089,587,402.33	3,861,984,252.91	4,827,480,316.13	6,034,350,395.16
Other Medical Services	80,929,565.43	101,161,956.79	126,452,445.98	158,065,557.48	197,581,946.85
Pharmacy Operation	78,955,688.48	98,694,610.60	123,368,263.24	154,210,329.06	192,762,911.32
Total Revenue	2,631,555,175.77	3,289,443,969.71	4,111,804,962.13	5,139,756,202.66	6,424,695,253.32