

## PARTNER PLAN

# David & Rebecca Morton - Malawi July 2015

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Dear Family and Friends,

Nkhoma Hospital is facing a difficult financial crisis. One month ago the hospital was informed by the District Medical Officer that the District had no funds to pay what was owed on the Service Level Agreement (SLA) between the district and the hospital for services provided by Nkhoma Hospital from February through June. This amounts to 12 million Malawi Kwacha (about \$27,000). Prior to this announcement the District kept assuring us our bills would be paid, so there was no warning that there would be this defaulting of payment. The situation is complicated as the SLA programme provides free treatment to children under five and pregnant women in our catchment and referral area which has led to remarkable decreases in under five and maternal morbidity and mortality as the cost barrier to health care has been removed. Yet the hospital has incurred more than twice the cost of what it is supposed to bear, even before this defaulting. Yesterday, to meet our expenses for the rest of July, including major expenses for our staff allowances, call coverage payments, etc., the hospital used up all of its undesignated fund reserves. This means we enter August with only what we will be collecting in patient fees over the next week while facing a needed purchase of medications for the month of August of around Malawi Kwacha 8-10 million (about \$20,000). Our fee income, has risen to about Mk 4 million per week (\$8,800), but also must cover fuel, maintenance and administration costs.



The financial situation of the hospital always requires dependence upon our Lord to provide, now more acutely. This does not mean we have not and are not developing strategies to enable the hospital to become less reliant on outside sources of income. It is just that when such a debt piles up and then we are told it will not be covered at all, the situation becomes critical. Nkhoma Hospital is just symptomatic of the national crisis in health care funding. Although Malawi is a signatory to international agreements to designate a minimum of 15% of its national budget to health care, the new budget for financial year 2015/2016 only allocates 8% to health care. This means that government health units have shortages of drugs and supplies, non-functioning transport, and staffing issues, leading more people to seek care at Nkhoma. Also recently the World Bank has designated Malawi as the poorest country in the world with an annual GNDP per person per year at \$250. A month ago, immediately after the news, Nkhoma management sent out a strong letter to the Ministry of Health, Christian Hospital Association of Malawi, our member of parliament, and the chair of the parliamentary committee on National Health

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Care, documenting all of the issues regarding the SLA non-payment, and the disastrous result stopping the programme will have on the community (the immediate effect will be maternal deaths).

This year Nkhoma Hospital celebrates its centenary. Being in existence as a rural Malawian Hospital for 100 years, is a testimony to God's grace and provision. We are depending upon that grace and provision now. Please pray:

1. That God would provide what we need to get us through next month
2. That the Malawi government/Ministry of Health will respond, pay what is owed, and set the SLA on a more just financial position so that we can continue providing the community with the life- saving care they need.
3. That hospital staff will understand and be supportive of the financial measures we will need to take, which will affect what the hospital will be able to pay them. Many of our staff, as they are often the most successful members of their extended families, are responsible for school fees and other expenses of their extended families.
4. That hospital management will be wise in its decisions, communications, discussions, etc., with all involved over these issues, and will not lose sight of the fact that this work is our Lord's ministry and we need to be faithful.

Thank you for all of your prayers, concern and help over the years,

David & Rebecca  
Nkhoma Hospital  
Malawi