



**WOODSTOCK GENERAL HOSPITAL  
EXTERNAL REVIEW  
NOVEMBER 2008**

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## Executive Summary

The Southwest LHIN (SWLHIN) undertook an external Peer Review of the Woodstock General Hospital (WGH) to assist the hospital in developing a Hospital Annual Planning Submission (HAPS) to achieve a balanced operating position within existing approved funding allocations and to enable the hospital to execute the 2008-10 Hospital Service Accountability Agreement (H-SAA). In September 2008, the SWLHIN announced the appointment of an external reviewer to work with senior management at WGH to develop the plan.

The Review Team (RT) consisted of:

John Oliver, External Reviewer	President/CEO Halton Healthcare Services
Denise Hardenne	Senior Vice-president Halton Healthcare Services
Mary Wilson Trider	Vice President Halton Healthcare Services.

The focus of the RT was to work in a collaborative relationship with the Senior Team from WGH and through a coaching/mentoring process assist WGH in developing a plan to achieve a balanced HAPS/H-SAA for 2009-10. This collaborative focus of the review was balanced against the need of the SWLHIN to ensure that the review brought sufficient rigour and due diligence to the resolution of the deficit at WGH.

It was agreed by all parties that services from the Health Care Management Group (HCM) and Hay Group Health Care Consulting (HayGroup) would be contracted for by WGH to assist in the review. The firm of HCM was asked to assist in operational and cost performance benchmarking. The HayGroup was asked to assist in the clinical efficiency review and a review of outpatient and ambulatory services.

WGH is in the middle of a large construction project to replace its existing facility by June 2011. This project has and continues to demand a significant time commitment from the management team in addition to that required by normal operation. Recognition and management of the impact that the project has on the team's workload is essential for the successful operation of the hospital and the realization of a first class healthcare facility.

The review has found significant opportunity for WGH to improve its performance through both operational and clinical efficiencies. WGH Leadership has been provided with focused strategies and recommendations, many arising from work plans generated by their own management team, to ensure a successful implementation of a recovery plan. An annual financial target of \$3.675 million has been recommended for the recovery plan.

WGH has been provided with many other related recommendations and opportunities to improve their clinical performance that are expected to improve patient flow and reduce inpatient occupancy rates without requiring the generation of savings.

During the review it became apparent that WGH was underutilizing the services offered by the Community Care Access Center (CCAC). This had a detrimental effect on many of the clinical performance measures. An effort was made during the review to bring the organizations together and to understand the barriers that may exist to a collaborative "systems approach" to patient/client care.

Of note was the decision by the South West LHIN to open 9 interim retirement home beds with enhanced CCAC support for Woodstock to assist in managing Alternative Level of Care patients. These new beds were not factored into the efficiency targets for WGH and constitute a real opportunity for WGH to outperform the targets in the recovery plan.

The array of ambulatory and outpatient services offered at WGH appears appropriate for the community of Woodstock. Some services are duplicated in the community or could be restructured as fee-for-service clinics. These remain as opportunities for WGH to outperform the recovery plan target.

The recovery plan will not fully restore WGH to a balanced position. It has been recommended that WGH manage its working capital and cash position until June, 2011 when its has occupancy of new hospital and the final Post Construction Operating Plan is known. The SWLHIN should then undertake a final review to assess if a base funding adjustment is required.

Until 2011 the South West LHIN may need to assist WGH with one time funds to maintain their cash position . The report provides recommendations to WGH on ways to minimize the impact on working capital during this period. The South West LHIN may also wish to consider one-time support for restructuring costs associated with implementing the recovery plan.

The report provides recommendations on other success factors that should be considered to ensure both the successful implementation of the recovery plan and the successful construction and commissioning of the new hospital.

The RT would like to acknowledge and thank the Senior Team and Leadership of WGH for the time, energy and effort they devoted to participating in the review process, including background work and involvement in an extensive number of meetings.

## **1.0 Introduction:**

The Southwest LHIN undertook an external Peer Review of the Woodstock General Hospital (WGH) to assist the hospital in developing a Hospital Annual Planning Submission (HAPS) to achieve a balanced operating position within existing approved funding allocations and to enable the hospital to execute the 2008-10 Hospital Service Accountability Agreement (H-SAA). In September 2008, the SWLHIN announced the appointment of an external reviewer to work with senior management at WGH to develop the plan.

### **1.1 Purpose of the Review**

The SWLHIN in particular sought to:

- Identify cost drivers within the organization;
- Examine workload measures, current services provided, cost of services provided, efficiency of services provided and clinical outcomes.
- Examine hospital decisions to expand and/or limit service levels within the previous two fiscal periods;
- Review analysis conducted by the hospital in considering measures to achieve a balanced operating position put forward as part of the 2008-10 HAPS/H-SAA process;
- Examine the scope of current services compared to the mandate of the hospital and assess the appropriateness of current services and service levels. The examination should include the impact of new service providers (e.g. Community Health Centre) or the expansion of services by other providers.
- In conjunction with the above examination, assess the opportunity for further clinical and administrative integration and partnership between Woodstock General and the other hospital corporations in Oxford County;
- Identify and quantify any other barriers preventing the hospital from achieving a balanced financial operating position and identify mitigation measures in response to these barriers;
- Provide coaching and mentoring assistance to the Hospital's senior team in setting financial targets for realizing efficiencies, integration opportunities and program service levels.

### **1.2 Role of the External Reviewer**

The SWLHIN identified the need for an External Reviewer to:

- Provide input and experience to work with hospital senior leadership team in recommending measures to bring the hospital into a balanced financial operating position;
- Consult with hospital staff in consideration of efficiency opportunities, management of existing services and other impediments to operational performance improvement;
- Provide recommendations that enable the hospital to reach a balanced operating position within the existing approved funding allocation;
- Work with the hospital senior leadership team to present the recommendations to the hospital Board for approval;
- Remain available for further advice to the hospital and/or the South West LHIN as required following the approval of the 2008-10 H-SAA.

The Terms of Reference for the External Review at Woodstock General Hospital are included in Appendix 1 of this report.

### 1.3 Process for the Review

The Review Team (RT) consisted of:

John Oliver, External Reviewer	President/CEO Halton Healthcare Services
Denise Hardenne	Senior Vice-president Halton Healthcare Services
Mary Wilson Trider	Vice President Halton Healthcare Services

It was agreed by all parties that services from the firms of Health Care Management Group (HCM) and Hay Group Health Care Consulting (HayGroup) would be contracted for by WGH to assist in the review. The focus of the RT was to work in a collaborative relationship with the Senior Team from WGH and through a coaching/mentoring process assist the Senior Team in developing a plan to achieve a HAPS/H-SAA for 2009-10. This collaborative focus of the review was balanced against the need of the SWLHIN to ensure that the review brought sufficient rigour and due diligence to the resolution of the deficit at WGH.

## 2.0 Environmental and Internal Factors Affecting WGH Financial Performance

WGH has experienced a dramatically worsening financial position over the past several years. The 2007-08 deficit of \$2.8 million has grown to a forecast of \$4.9 million in 2008-09 and is budgeted to be \$6.0 million in 2009-10. The growth of the deficit from 5% of revenues to 11% of revenues over such a short period is significant. As discussed in later sections WGH's response to this worsening financial position was a plan to negotiate with the South West LHIN for additional funding. There appears to have been little effort made to find strategies to balance operations that involved alterations to existing operations or to identify efficiency opportunities.

Further, during 2007-08 and 2008-09 WGH made strategic decisions to invest in new staffing positions that did not have new funding envelopes and were not balanced by reductions in other expense areas. The effect of these strategic decisions, whether warranted or not, was to dramatically worsen the deficit.

During the course of the review the following issues emerged repeatedly and appear to have been barriers to WGH more effectively managing its financial affairs and restricting spending to available funds.

Recommendations related to improving these factors are included in Section 9.0 of the report.

### 2.1 Significant Capital Project Work

WGH is in the process of building a new replacement facility through a DBFM model developed by Infrastructure Ontario. During the period of the review the project moved through significant milestones including financial and commercial close and construction groundbreaking. The WGH Senior Team has been and remains heavily engaged by this work. The successful completion of the project is of paramount importance for WGH and the community of Woodstock and a successful outcome will be experienced by generations to come. The importance of this work cannot be underestimated nor should the extraordinary workload burden of the management of the project be ignored.

The engagement of the WGH Senior Team in the phases of this project has no doubt negatively affected their time and energy available for day to day operations management and for the increasing challenge of financial management that is required in today's hospital environment.

Despite efforts by the South West LHIN to accommodate the Hospital in the timing of the review, the availability of the Senior Team was frequently of issue due to work on the Commercial and Financial close

for the project and ultimately led to the timeline for the review being extended to accommodate the Project demands. Likewise the energy and capacity of the Senior Team was visibly challenged during the review by the workload of the two initiatives happening in tandem.

In all likelihood the capital project has been a major factor in WGH capacity to manage its finances.

## **2.2 Enhancing of Collaboration with Community Providers**

WGH appears to have developed a culture of “go it alone” in respect to clinical relationships with key community partners in particular the CCAC. Opportunities exist to improve clinical efficiencies surrounding admissions, length of stay and day surgery through better coordination and utilization of CCAC services. WGH has displayed a lack of confidence in the CCAC’s ability to provide timely, quality service. This became a particular focus for the review to understand the barriers to improving the relationship and to identify ways that the patient burden on WGH could be reduced through better utilization and partnership with the CCAC.

## **2.3 Culture of “Unfair” Treatment in MOHLTC Funding**

Throughout the course of the review a theme of “unfair” treatment by the MOHLTC and South West LHIN was repeated by leaders at WGH including the CEO and Board Chair. The issue arises primarily from a one-time funding adjustment of \$2.3 million in fiscal 2007/08 prior to transferring the HAA agreement from the MOHLTC to the South West LHIN. The repeated theme was that other hospitals appear to have received base adjustments at this time whereas WGH only received one-time funding and this wasn’t fair.

The impact of this repeated “story-telling” on the culture of WGH is negative and has not encouraged open and honest inquiry as to other strategies that WGH could have employed to improve their performance and financial position.

## **2.4 Affirmation of Performance as a Defensive Strategy during Deficit Years**

At the start of the review there was a repeated position put forward by WGH that WGH was highly efficient and benchmark evidence was provided to the RT by the Senior Team, largely through the use of the MOHLTC Hospital Indicator Tool, to make the case. Subsequently through both clinical and operational benchmarking it was determined that WGH was inefficient in many aspects of its operations and had opportunities to improve performance. It became apparent that the Senior Team had engaged in limited operational and clinical benchmarking to affirm WGH’s view of its’ own performance and to defend its operations against those inquiring about the growing deficit.

During deficit years, in particular, WGH should have used external benchmarking tools beyond the HIT Tool to challenge the organization to improvement its performance for the purpose of ensuring that funds were best utilized to improve the hospital’s financial situation and to protect access to services for the community. Relying only on large scale indicators failed to detect efficiency opportunities at the functional center and CMG levels. Likewise relying on national performance comparators rather than provincial or peer comparators failed to bring sufficient rigor to benchmarking particularly given Ontario’s hospitals’ performance in clinical efficiency. Not challenging the organization to improve on a timely basis resulted in a worsening deficit and could have prevented the financial performance from deteriorating to the current level.

### **3.0 Operational and Cost Performance Benchmark Findings and Recommendations**

The review of operational efficiency opportunities was conducted by HCM Group, Inc. (Earl Bardswich, Robert Kimsto). HCM assisted the WGH management team to identify cost saving and revenue-generation initiatives using an approach building on benchmarking and operational improvement principles including a focus on “made in WGH” solutions. HCM augmented the results of internal WGH work with some focused recommendations for management structure organization and other improvements. A copy of the complete HCM report is included in this report as Appendix 2.

#### **3.1 Process for Performance Benchmarking**

HCM conducted a productivity benchmarking exercise consistent with approaches and methodologies utilized in several recent hospitals operational improvement engagements. This consisted of the following:

- Editing of WGH MIS Trial Balance data for 2007/08 (actual) data and making changes where appropriate, and editing/review of detailed trial balance files
- Preparation of WGH data (past four years) and 2007/08 peer data for purposes of performance benchmarking (this included a review of peer performance results and removal of outliers).
- Setting of preliminary performance targets (based on peer performance benchmarking at the best quartile performance levels for labour and median performance levels for non-labour) for all departments.
- Preparation of reports by department with identified FTE/cost savings, and a summary listing of the potential savings
- Review of factors that may affect/explain productivity differences
- Review of reports with the Senior Administrative Team and revision of reports where needed to account for data/other artefacts or other WGH circumstances.

HCM then conducted a workshop with Senior Management and Department Heads to ensure a consistent approach and common understanding of the overall objectives and processes related to this project. The workshop:

- Provided orientation to performance benchmarking, the performance targets and expected savings, and approaches to improving performance
- Distributed performance reports and calculated screening targets for cost savings
- Ensured that all department heads are in tune with the Organization’s serious need to reduce costs quickly, and that Senior Management commitment is demonstrated
- Presented ideas for other opportunities to reduce costs (inventory control, supplies costs reductions) and/or increase revenues
- Provided a framework for departments as to how to contact some better performing peers to understand practices that help them achieve high levels of performance (not to compare data, as this would have been a fruitless undertaking)
- Provided a guide to assist department heads in identifying potential initiatives to achieve targets.
- Provided department heads with follow-up work and a workbook for completion/submission that identify how they plan to achieve or exceed the savings targets for their areas.

#### **3.2 Results of Operational Improvement Process**

The benchmarking performance at a functional centre level presents a theoretical target savings of about \$6.2 million for 2007/08, at the peer best quartile. The total theoretical savings target for WGH equals 11.4% of

net operating costs for 2007/08. HCM's past clients have achieved 23 to 52% of the theoretical savings targets.

WGH's department-identified operational improvement initiatives represent \$2.06 million in cost savings and increased revenues with a related reduction of 15.8 FTEs. These savings represent 33.2% of the theoretical savings. The strategies for achieving these targets are outlined in the workbooks prepared by departmental and program managers.

In addition to WGH department- identified initiatives, HCM further identified savings opportunities following a review and report by a Nursing Consultant which is included in Appendix 3 of this report. HCM identified opportunities addressed the areas of:

- OR/PACU/Endoscopy/Day care;
- Emergency;
- Complex Continuing Care;
- Materiel Management, Housekeeping and Portering.
- Management staffing

The HCM identified initiatives represent further efficiency opportunities of \$.772 million with a related reduction of 7.43 FTEs.

**The total expected savings and increased revenue opportunities available to WGH as a result of the Operational Efficiency Benchmarking total \$2.832 million.**

**Recommendation:**

- 1. WGH should immediately undertake appropriate measures and activities to effect a net reduction in its operating deficit of \$2.832 million consistent both with the strategies developed by its management team and with the recommendations developed by HCM. WGH should implement the recovery plan on an expedited basis with most strategies realized within 6 months or by June 1, 2009.**

**The Board of Trust of WGH and the SWLHIN should require monthly reporting/monitoring by WGH to assess the success of the implementation of the recovery plan.**

**Recommendation:**

- 2. WGH should develop a restructuring budget related to the one-time costs of implementing the recovery plan, particularly those associated with staffing changes.**

During the Clinical Efficiency Review process, it was identified that the Woodstock General Hospital has not had a comprehensive review of operating room productivity. The organization has not pursued a formal mechanism to review their peri-operative processes to help identify improvements in maximizing efficiency and effectiveness. To that end, it was observed by the RT that there is an opportunity for Woodstock General Hospital to seek external expertise either through an independent consulting group or through the Peri-Operative Improvement Expert Coaching Team currently being offered through the Ministry of Health and Long-Term Care Wait Time Strategy.

**Recommendation:**

- 3. That the CEO of Woodstock General Hospital undertake to implement an external review to assist in identifying opportunities to maximize efficient and effective use of the Peri-Operative**

**resources. The organization is encouraged to consider the Peri-Operative Improvement Expert Coaching Team through the Ministry of Health and Long-Term Care Wait Time Strategy.**

**The recommendations of the Nursing Consultant Recommendations are listed below.**

- (1) The VP Patient Services should establish the median of 5.97hrs/case as the target performance level for these combined areas.**
- (2) The VP Patient Services and the Chief of Staff should establish a process to reduce after hours surgery and overtime staff hours.**
- (3) The VP Patient Services should establish the benchmark performance of 4.53 hrs/ppd as the efficiency performance target for the CCC unit.**
- (4) The VP Patient Services should establish a process to reduce/eliminate rehabilitation services until such time as the Hospital receives designated funding for rehabilitation beds.**
- (5) The VP Patient Services should establish a process to transition the performance of the ED toward best practice by starting with the median target of 1.3277 hrs/weighted visit.**

## **4.0 Clinical Efficiency Review Findings and Recommendations**

The review of clinical efficiency opportunities for WGH was undertaken by HayGroup. A complete copy of the HayGroup report is included in this report at Appendix 4. The following summarizes the key recommendations made by HayGroup however many other observations and opportunities for subsequent improvement in clinical performance are outlined in the main HayGroup report.

### **4.1 Process for Clinical Efficiency Review**

The focus of the HayGroup assessment was the examination of opportunities to reduce reliance on inpatient beds through achievement of performance levels exhibited by peer hospitals, to help WGH:

- Shift from inpatient surgery to day surgery
- Reduce acute length of stay
- Reduce Inpatient Occupancy

### **4.2 Results of the Clinical Efficiency review**

The report clearly outlines significant opportunity to reduce patient days and beds staffed and in operation through appropriate clinical utilization strategies particularly in the conversion of inpatient surgery to day surgery, reduced length of stay, cases that may not require hospitalization and E.R. admission rates.

Internal WGH reports that describe WGH length of stay as exceeding provincial best quartile and median LOS benchmarks are not supported by this review. Further routinely available CIHI LOS reports likewise provide contrary findings to WGH's assertions. WGH's opportunity to reduce LOS is the third highest in its peer group. Similarly using CIHI ELOS data WGH's typical case LOS was the second worst performance among peer hospitals.

The single biggest opportunity to further decrease admissions and reduce LOS requires the increased use of CCAC services. There is a considerable lack of faith in the current environment regarding the CCAC's ability to support programs such as home low molecular weight heparin, home dressing changes, and home

IV antibiotics. There is a difference of opinion, one expressed by the hospital, and the other by the CCAC, on this issue. The CCAC perspective is that they provide a wide array of services which are currently not accessed with sufficient frequency by the hospital. Hospital care providers feel, conversely, that high quality services are either not available, or not available in a timely way. Both parties acknowledge legitimate concerns regarding the provision of service in a geographically rural area, with the inherent inefficiencies of travel time necessary to provide services to patients distributed over a large geographic area.

This issue received special focus during the review with a presentation from Sandra Coleman, Executive Director, Southwest CCAC outlining the opportunities available to WGH to increase the utilization of CCAC services and identifying new Aging at Home investments that are now being made available.

Specific initiatives that emerged during the course of the review for increased WGH/CCAC partnerships include:

- CCAC Case manger located in the WGH ER;
- Additional CCAC case manger time on med/surg units;
- An orthopedic care map;
- Home at Last program;
- Wait at Home Initiative for ALC placement;
- Same day surgery coordination and
- Shared discharge planning and case management role.

The development of a positive working relationship and a shared problem solving approach between WGH and the CCAC is vital for a successful implementation of this report not to mention optimal patient and client care. The HayGroup report recommends that the South West LHIN undertake a monitoring role to ensure that WGH patients have appropriate access to services. The RT believes that the leadership at WGH must also take an active role to develop the collaborative model needed to successfully align its services with the CCAC services.

**Recommendation:**

- 4. The CEO of WGH be a role model for positive working relationship with the new CCAC Executive Director and develop hospital/CCAC staff joint team building activity to strengthen the collaboration between the organizations.**

Further recommendations related to enhancing WGH's stance in its relationship with the CCAC are included in Section 7 of the report.

Of significance for the implementation of the Length of Stay targets was the identification under the LHIN Priorities funding of 9 interim retirement home beds with enhanced CCAC services that would be opened in an LTC facility to serve in part the ALC patients at WGH. The phased opening of these external beds, beginning in December 2008, provides WGH with a unique opportunity to reduce its beds and staffed and in operation with the transfer of existing ALC patients to these beds.

The HayGroup financial target recommendation arising from clinical efficiency opportunities in the medical and surgical CMGs is an annual reduction in the cost of inpatient care of \$.640 million. They have further recommended this be achieved through the closure of 7 medical/surgical beds. The HayGroup declined to make a more aggressive reduction recommendation in part to allow WGH the remaining utilization opportunities to lower occupancy rates and improve quality of care.

The RT's past experience with achieving financial savings from implementing clinical efficiency targets has been mixed. Often LOS reductions are distributed across several units/service areas and are difficult to

consolidate onto one unit for closure. Likewise the LOS savings are generally partial days and small time blocks relative to total days resulting again in difficulty in closing beds. To achieve and hold LOS savings of the magnitude recommended by HayGroup, even with a strong utilization management process in place, it is generally necessary to close beds. Conservable day savings and bed closures are easier to achieve in a single site operation with combined medical/surgical units when the LOS savings are targeted in Medical and Surgical CMGs.

The RT noted the significant opportunity at WGH to reduce patient days not only in LOS management with the CCAC, but in day surgery conversion, decreased MNRH days and reduced ER admissions. It should be noted that clinical efficiencies identified in day surgery conversion decreased MNRH days and reduced ER admissions are not included in the 7 Medical/Surgical bed closure target. Likewise the RT noted that in addition to the opportunity to close 7 beds through better LOS management that the South West LHIN, was introducing 9 new interim retirement home beds for the community to manage ALC patients outside of the hospital. This in effect creates the theoretical opportunity for WGH to close 16 medical/surgical beds and still return to appropriate occupancy rates. Given the substantial opportunity to better manage their inpatient resources, the RT endorses the HayGroup recommendation. The RT also recognizes the significant change management effort required to attain the clinical efficiencies described.

**Recommendation:**

- 5. WGH should immediately undertake appropriate measures and activities to effect a net reduction in its annual operating deficit of \$640,000 through improved clinical efficiency and that the opportunity arising from the opening of interim retirement home beds for Woodstock is used to close 7 medical/surgical beds.**

**The Board of Trust of WGH and the South West LHIN should require monthly reporting/monitoring by WGH to assess the success of the implementation of the recovery plan.**

A number of the HayGroup's recommendations describe work that should be done by the MAC and by committees that are either MAC sub-committees or Hospital committees with physician representation. Further, the achievement of these clinical efficiencies will necessitate engagement of the broader Medical Staff in what, for some, may be significant changes to the way they are accustomed to practicing. The successful implementation of these recommendations will depend on the leadership demonstrated by the Chief of Staff in setting expectations for physicians and physician leaders in the organization and on his ability to appoint talented and committed physicians to the various groups that will be charged with executing the recommendations. The need to have the right people, in the right place, at the right time, to achieve and sustain the bed closures, day surgery conversion and decreased inpatient days/admissions may be disruptive to current Medical Staff structures. The Chief of Staff should develop a plan for the Medical Staff participation in the implementation of the HayGroup recommendation that forms part of the broader, WGH implementation plan.

**Recommendation:**

- 6. The Chief of Staff should develop a plan for Medical Staff participation in the implementation of the Hay Group clinical efficiency recommendations. The Board of Trust and CEO of WGH should support the Chief of Staff in his identification of physician leadership and in the implementation of policies and procedures required to achieve the clinical efficiencies identified by the HayGroup.**

A complete listing of HayGroup recommendations are listed below.

- (1) The Director of Health Records should initiate a review of clinical documentation to ensure that significant patient comorbidities are comprehensively recorded and reported on CIHI data submissions.**
- (2) The WGH Utilization Review Committee should regularly review inpatient admissions for elective surgical procedures that can be offered through day surgery.**
- (3) The WGH Utilization Review Committee should establish a target average Typical case length of stay equal to 90% of the CIHI ELOS, and regularly monitor LOS performance, by Doctor Service, against this target.**
- (4) The South West LHIN should review the utilization of the regional rehabilitation beds at the Parkwood Hospital, to ensure that patients from outside Middlesex County who require rehabilitation care are able to gain access to these beds.**
- (5) The V.P. Patient Services should initiate a process to collaborate with the Family Health Team in transfer of some outpatient services currently offered by WGH.**
- (6) The V.P. Patient Care should engage area long term care homes in discussion of a model of palliative care which will allow appropriate inpatients and Emergency Department patients to be transferred expeditiously to long term care facilities.**
- (7) The WGH Chief of Diagnostic Imaging should develop protocols for the conduct of CT scans on the evening and weekend shifts.**
- (8) The V.P. Patient Services should implement a “discharge appointment” model of facilitating discharge.**
- (9) The Medical Advisory Council should identify and implement an MRP model that is more effective in length of stay management and patient discharge.**
- (10) The South West LHIN should ensure that a mechanism exists to monitor the availability, quality, and accessibility of CCAC services for WGH patients.**
- (11) The Chair of the Utilization Review Committee should ensure that a process is established for the development and implementation of care maps for the most commonly encountered inpatient diagnoses.**
- (12) The Operating Room Committee should explore alternative models for the conduct of urgent and emergent surgery.**
- (13) The Operating Room Committee should conduct a review and redeploy surgical blocks as required to facilitate reduction in length of stay and after-hours activity.**
- (14) The South West LHIN establish a target for WGH to achieve a \$640,000 annual reduction in the cost of inpatient acute care through improved clinical efficiency.**

## 5.0 Review of WGH Operating Pressures and Deficit

Woodstock General Hospital (WGH) had a history of balanced operating positions, up to and including the 2005/06 fiscal year. In 2006/07 Hospital revenue increased by 5.3%, while expenses increased by 7.6%, resulting in a deficit on hospital operations of \$1.042 million, which was mitigated by one-time funding of \$2.3 million received during the year. WGH incurred an increased deficit in 2007/08 and is projecting deficits for both 2008/09 and 2009/10.

### 5.1 Impact of Population Growth

Based on local population projections, the age-weighted population of the City of Woodstock is expected to grow by 9.1% between 2006 and 2011, or at approximately 1.82% per year on a straight-line basis. Local projections also suggest that Oxford County will grow by 1.9% per year over the same period. Ministry of Finance projections for the South West LHIN describe 1.36% annual growth.

As an indication of the change in Hospital activity during the period between 2005/06 and 2008/09, Medical/Surgical patient days are expected to grow by approximately 2.7% per year and ICU patient days are expected to grow by approximately 4% (per year). Emergency visits will grow by approximately 3.7%.

The cost of actual/projected patient volume growth has been calculated by HCM using a formula that measures volumes and workload changes by department and uses 2007/08 net costs per unit of workload excluding fixed equipment and medical staff salary/recruitment costs for departments with direct patient care workload and a representative percentage for departments that support patient care, such as Housekeeping and Health Records.

The total estimated impact of volume growth over the 2005 to 2008/09 period is \$2.6 million.

WGH has estimated the impact of 2009/10 volume growth to be a further \$0.2 million. The RT believes that WGH has the capacity to absorb the 2009-10 growth in its existing service areas and through opportunities created by the recovery plan.

#### **Recommendation:**

- 7. WGH remove the projected cost of growth for 2009-10 of \$0.2 million from its operating plan and be challenged to achieve the full value of the savings identified in the recovery plan.**

### 5.2 Impact of Inflation

In material provided to the Peer Review team, WGH described wage inflation that exceeded the Ministry of Health base funding increases, which has contributed increasing amounts to the deficit in each of the review years, with a total projected contribution to the 2009/10 deficit of \$1.8 million. Supply cost inflation was estimated at \$200,000 per year between 2006/07 and 2008/09 and \$120,000 in 2009/10 for a total impact of \$720,000 in 2009/10.

The Hospital described savings of \$1.0 million in each of 2007/08 and 2008/09 and \$1.8 million in 2009/10 resulting mainly from a hiring freeze on planned new positions but did not provide information on any other mitigating strategies to offset the projected impact of inflation.

WGH did not present any evidence to suggest that their inflation pressures are different than those experienced by other Ontario hospitals.

### 5.3 Impact of Investments

During the review period, WGH made decisions to add additional resources that have contributed to the increased cost base. There was an increase of 33.2 FTE, or 7.5%, in the number of Hospital staff between 2005/06 and 2008/09 and a further increase of 1.1 FTE in salaried medical staff.

4.7 new FTEs were described as supported by Wait Time funding and 3.6 FTE were targeted outpatient funding. The balance appear to support volume growth, with the exception of 1.0 FTE for Risk Management and Accreditation, 8.0 FTE responding to physician requests for more Nursing staff to more closely monitor sleep apnea patients on the Medical Surgical inpatient unit and 3.0 FTE in Emergency following an external review of the Department in 2004. It is understood that no further FTE increases were planned for 2009/10.

In 2004, WGH leveraged an opportunity to join 7 other hospitals in the implementation of a Cerner information system that provided clinical modules with capital funding from Canada Health Infoway and the Ministry of Health. While providing benefits to clinical care and patient flow, the system was projected to add just under \$1.3 million to the Hospital's annual operating costs. The Hospital does not appear to have identified a funding source, such as cost savings or additional revenue, to support the extra expense.

#### **Recommendation:**

- 8. The Board of Trust and CEO of WGH freeze recruitment of any new positions unless supported by confirmed funding sources (e.g. Post Construction Operating Plan), reductions in other aspects of the hospitals operations or recommended in this report as necessary to implement the recovery plan recommendations.**

### 6.0 Ambulatory Care and Outpatient Services Review Findings and Recommendations

A review of Ambulatory and Outpatient Services was undertaken as a component of the Peer Review process for Woodstock General Hospital (WGH) and is included in Appendix 5. The overarching goal for this component of the review was to assess the appropriateness of all Ambulatory and Outpatient Services and determine if there were additional savings, generated through revising how these Services are currently provided, that could contribute to decrease of the deficit projected by the Hospital. The methodology for this component of the review included completion of an inventory of all Outpatient and Ambulatory services currently provided by the Hospital. Once completed a consultant (Irene Peterson Grey) from The Hay Health Care Consulting Group, through HCM, was asked to support the peer review team with an on-site review of ambulatory care services and develop a report with recommendations pertaining to the services. In conjunction with the on-site visit all Ambulatory and Outpatient Services were assessed using a set of criteria to determine appropriateness.

The criteria applied were as follows:

Number	Criteria
1	Duplicate Ambulatory Care Service
2	Low or Medium Volume Ambulatory Care
3	Convert to Fee For Service (FFS) or Revenue
4	Ambulatory Care Unrelated to Inpatient Activity
5	Ambulatory Care Where Community Alternative Provision is Possible
6	Outpatient Care Consistent with Mission, Core Services and Strategic Priorities of Hospital

7	Opportunity for grouping/bundling ambulatory services to achieve efficiency
8	Ambulatory service that can only be provided by hospital related to equipment and/or staff expertise

Insights gained as a result of this review activity served as the basis for the development of recommendations for the Hospital and the Review Team to consider in the development of a recovery plan. The complete Inventory of Ambulatory Services is appended to the “Review of Ambulatory Services Report” in Appendix 5.

There are some overarching findings cited by Irene Peterson Grey in the “Review of Ambulatory Services Report” which apply to more than one ambulatory service:

- There appears to be opportunity for WGH to maximize cost recovery and revenue generation opportunities:
  - the Hospital may be able to improve billing to generate more revenue
  - ensure recovery of all costs for marketed services and programs operated as satellites of other programs in the region.
- There are some services that are most appropriately provided by a family health team in the community. This would be an opportunity for the organization to ensure delivery of services in a more appropriate setting.
- The organization appears to have made some philosophical choices with respect to delivery of some services as there is a belief that the community is not well covered with respect to extended health benefits and therefore the population can not access services for which payment would be required if provided outside the Hospital.

**The Recommendations of the Ambulatory and Outpatient Services Review recommendations are listed below.**

- (1) The V.P. Patient Services should establish a process to move to FFS and generate revenue for the organization. (Chiropody Clinic)**
- (2) The V.P. Services and Manager of Imaging should conduct a review of each modality to ensure that the hospital is maximizing revenue generation opportunities. (Diagnostic Imaging)**
- (3) The V.P. Services and Manager of Imaging should develop an integrated approach to breast services and ensure increased efficiency in the process. (Diagnostic Imaging)**
- (4) The V.P. Services and Manager of Imaging should establish processes to reduce overtime in nuclear medicine. (Diagnostic Imaging)**
- (5) The Manager for Dialysis Services should negotiate with LHSC for recoveries of all costs associated with the program.**
- (6) The Manager for Mental Health Services should negotiate with LHSC for recoveries of all costs associated with the program. (Eating Disorder Clinic)**
- (7) The V.P. Patient Services and the Chief Financial Officer should establish a process to separate endoscopy service reporting and pursue any opportunity to maximize revenue generation for this service (i.e. a funding proposal to CCO). (Endoscopy)**

- (8) **The V.P. Services and Manager of Laboratory services should conduct a review of the financial impact of reducing/eliminating outpatient diagnostic services not directly related to supporting inpatient and hospital ambulatory services.**
- (9) **The CEO and the V.P. Patient Services should review and develop criteria for delivery of outpatient physiotherapy services.**
- (10) **The VP Patient Services and Manager Rehabilitation Services should develop and implement a model that includes the use of physiotherapy assistants. (Outpatient Physiotherapy)**
- (11) **The CEO and the V.P. Patient Care should establish a process to change the model for speech pathology and purchase service to support inpatient and limited outpatient services that support discharge from the inpatient area.**

The table highlighting the potential Revenue and Cost Saving Initiatives included in the “Review of Ambulatory Services Report” is outlined below. It should be noted that this summary does not include estimates for initiatives related to all of the Ambulatory Care Areas that are highlighted in the recommendations above. The Revenue and Potential Cost Savings Opportunities totaling an estimate of \$165,753 have not been included in the reduction of the 2009/2010 deficit forecast and recovery plan. This was decided as the Revenue Opportunities (\$133,753) were deemed to be “soft savings” and unlikely to be affected and alternatively the Potential Cost Saving opportunity (\$32,000) is an expense reduction that can be realized with repatriation of the off-site Speech Language Service and elimination of rental expense with the advent of additional space related to the opening of the New Woodstock General Hospital in 2011. Furthermore, it was determined that WGH could pursue these additional potential cost savings initiatives once the Operational Efficiency Cost Savings initiatives outlined in the HCM workbook were successfully implemented.

<b>Ambulatory Area</b>	<b>Potential Revenue Opportunity</b>	<b>Potential Cost Saving</b>	<b>Net Total</b>
Chiropractic clinic			\$ -
Diabetic Clinic			\$ -
Diagnostic Imaging			\$ -
Dialysis	\$ 65,648		\$ 65,648
Eating Disorder Clinic	\$ 4,105		\$ 4,105
Endoscopy			\$ -
Laboratory Services			\$ -
Medical Surgical Clinics			\$ -
Metabolic Clinic			\$ -
Rehabilitation Services	\$ 64,000		\$ 64,000
Speech Language Pathology		\$ 32,000	\$ 32,000
<b>TOTAL</b>			<b>\$ 165,753</b>

## **7.0 Implementation Considerations and Recommendations**

WGH is currently forecasting for 2008-09 a deficit from operations consistent with its HAPS submission of \$4.9 million. WGH identifies a deficit for 2009-10 before the External Peer Review of \$6.0 million. During the course of the review recommendations have been made to WGH to reduce its spending or generate increased revenues through operational and clinical efficiency opportunities by \$3.475 million. Further in reviewing WGH’s planned spend for 2009-10 the RT has recommended that \$0.2 million in planned new spending for growth be discontinued unless a new source of funds is identified.

This in effect leaves WGH with a residual deficit of \$2.325 million.

## **7.1 Options for a developing a 2008-10 HSAA Agreement and Recommendations**

There are several options to consider in assisting WGH to return to a balanced operating position.

### **1. *Impose higher efficiency targets in areas left “on the table” and force a balanced operating result. Not Recommended.***

A good example of this option would be to recommend closing beds beyond the 7 recommended to reflect the 9 Transitional Care beds opening in the community. In the opinion of the RT the recommendations currently before WGH are significantly challenging for the leadership team and will require all of their skills to implement successfully. Imposing greater challenges on the team given the limitations within the current culture and the lack of evidenced experience in benchmarking and utilization management would increase the likelihood of a failed implementation. The opportunities remaining “on the table” are however real and may be available in later years as the team develops their performance management skills.

As previously discussed the RT also has concern with the overall expectations on the senior team given the recovery plan challenges and the large hospital capital project currently underway. The workload burden is significant and the risk of outcomes being below acceptable standards on both initiatives is high. The recommendations made are reasonable within this circumstance.

### **2. *Reduce Outpatient and Ambulatory services to the community to balance operations. Not recommended.***

The Review included an examination of ambulatory and outpatient services being provided by the hospital. The intent of the examination was to identify services that could be more appropriately offered in community settings rather than the hospital. It also considered services that could be offered by other hospitals. The outcome of the examination largely supported the services being offered by WGH as appropriate for the community and constitute with the inpatient services “bread and butter” hospital programs. An opportunity to reduce services in a limited number of areas was considered and for reasons identified above not recommended at this time.

Further support for not reducing services is the construction of the new WGH. It would make little sense to the community, major donors or other key stakeholders to have physical capacity currently being built for services that no longer exist.

### **3. *The South West LHIN grant WGH a base adjustment of \$2.325 million. Not recommended in the short term.***

At this juncture there is uncertainty with regard to the availability of new hospital funding given the economic climate in Ontario. It is unlikely that the South West LHIN or the MOHLTC would be in a position to assist the WGH in this regard. Prudence would suggest that WGH should develop an alternative strategy to cope in the near term.

Further, there are two major requirements that should be addressed by WGH and the South West LHIN prior to consideration being given to a base adjustment for WGH.

The first is evidence, provided by WGH, and confirmed by the SWLHIN that WGH has successfully/substantially implemented the recovery plan developed by the review.

The second is the occupancy of the new hospital and negotiation of a Post Construction Operating Plan (PCOP) to assess the full impact of the relocation and final operating costs.

4. ***Re-assess the base funding shortfall post the occupancy of the new hospital and completion of the PCOP in June 2011. WGH develops bridging strategies to manage cash flow with assistance from the South West LHIN in the interim. Recommended.***

WGH is slated to take occupancy of the new hospital on June 2011. On or about that time the South West LHIN in conjunction with the MOHLTC will have established a PCOP for WGH. Anecdotal experience in other hospitals suggests that the level of PCOP funding while being appropriate can assist with existing financial pressures. This is particularly true for support services that are often under funded in years leading up to new projects. Likewise the operating costs of the new hospital are unknown. The expanded footprint will bring new cost pressures that may or may not be addressed by the PCOP grant. Alternatively new efficiency opportunities may emerge that were unrecognized in the PCOP process. Upon completion of the PCOP and occupancy of the new site a final review can be undertaken of WGH's operating position and a base adjustment, if required, can be determined.

This option requires a 2.5 year plan (Jan 2009- June 2011) to forecast the impact of the ongoing deficit on WGH's cash position, to develop mitigating strategies to lessen the outflow of resources and ultimately for WGH to identify if assistance from the South West LHIN in the management of its cash and working capital position is required.

**Recommendation:**

9. **WGH, after the implementation of the recovery plan recommendations, will be operating with a \$2.325 million deficit. WGH should manage this deficit with one-time assistance in both 2009-10 and 2010-2011 from the South West LHIN until occupancy of the new hospital in June 2011. Post the negotiation of the PCOP for the new hospital and an assessment of the operating costs of the new hospital the South West LHIN and WGH should undertake a final review to determine if any additional efficiency opportunities can be identified and/or if a base funding adjustment is required.**

**Recommendation:**

10. **WGH should immediately prepare a cash and working capital forecast through to June 2011 that details on a monthly basis (weekly for WGH Finance Committee) its forecasted cash position incorporating:**
  - **the phasing of the savings generated by the recovery plan recommendations,**
  - **the restructuring costs arising from the implementation of the recovery plan,**
  - **the impact of a forecasted deficit in 2009-10 of \$2.35 million,**
  - **strategies to defer/ substitute cash outflows until the occupancy date (see Equipment Acquisition below).**

**The forecast should be reviewed by the RT for adherence to the review recommendations prior to presentation to the Board of Trust and the SWLHIN.**

**Recommendation:**

11. **The South West LHIN should give consideration to assisting the WGH at the end of fiscal 2009-10 and 2010-11 in maintaining their cash position until a final operating position is established in June 2011.**

## 7.2 Management of Equipment Acquisitions

WGH has established an equipment budget for the new hospital. The RT was advised that other than in exceptional circumstances equipment bought in the next two years will be transferred to the new site and is viewed to be part of the new hospital equipment budget. The WGH Foundation through its leadership and community donations has developed a fund to support WGH in the acquisition of equipment for the new hospital. These funds are in place. It is WGH's stated intent to use its own funds to acquire equipment in the next two years. WGH has net equipment and software amortization of \$1.2 million.

Given the rapidly deteriorating cash position of WGH the purchase of equipment utilizing operating funds generated through net depreciation provisions is not recommended. It would be appropriate for WGH to establish with its Foundation a Funds Transfer Plan that assists the hospital by financing current equipment purchases, destined for the new hospital, through Foundation grants rather than hospital depreciation provisions. The hospital contribution to equipment purchases for the new hospital should be deferred to later in the acquisition plan after working capital is restored and/or made part of the equipment lease arrangement that is already envisioned for some portion of the hospital's share of the project.

**Under no circumstances should the cash flow request from the South West LHIN be viewed as assisting the hospital in equipment purchases.**

### **Recommendation:**

**12. WGH should negotiate with the WGH Foundation a funds transfer plan that allows WGH to access donated funds in the next two years to purchase equipment needed today but slated to be transferred to the new hospital. The transfer plan should be transparent and ensure adherence to the Foundation's stated purposes of the fund raising goals and donor wishes.**

**WGH should otherwise defer current year equipment expenditures to maximize cash available to assist with its working funds deficit. The net equipment depreciation provision of \$1.2 million should be made available to fund the operating deficit prior to any request for assistance from the SWLHIN. WGH may give consideration to increasing the provisions of its equipment leasing plan to cover any capital shortfall for equipment in the new hospital.**

**Under no circumstances should the South West LHIN be (or be perceived to be) funding equipment acquisitions with working capital assistance during the next 2.5 years.**

## 7.3 Assistance with Clinical Utilization Management

A significant portion of the recovery plan is to be realized through improved LOS performance and closure of med/surg beds. In dialogue with the Chief of Staff concern was expressed that the hospital did not have medical leadership to assist the Chief with this work. The scope of work will require physician leadership at a minimum in daily bed management, LOS and admissions review and OR utilization.

### **Recommendation:**

**13. WGH should recruit and develop medical leadership to assist with utilization management and achieving clinical efficiencies. Investment to support physician education and to reimburse clinicians for lost clinical time will be required as part of the recovery plan process and restructuring costs.**

## 7.4 Senior Team Support and Project Management

As identified earlier in this report the RT has concern with the capacity of senior leadership to successfully manage both the large hospital construction project and to implement these recommendations. In fact the demand for time for the new hospital project is felt to have been a large contributing factor to the deteriorating financial position as management has appropriately been dedicated to ensuring that the future hospital is well planned and constructed.

The Board and CEO must ensure that sufficient resources are marshaled to successfully deliver both of these projects over the next 2.5 years. Without sufficient resources the new hospital project will receive priority, as was the case during the review, and the implementation of the recommendations contained in this report will fail to be implemented successfully.

Options for consideration may include the recruitment of a Vice President Capital Projects who operates at the VP/Senior team level and provides executive oversight to the project thereby allowing the rest of the team more time to deal with the complexities of day to day operational challenges. Alternatively an existing Vice President with project experience/familiarity may be dedicated to the project and that position backfilled by a contract VP position that is given a leadership role in partnership with the CEO in introducing the changes needed to implement the recommendations in this report.

**Recommendation:**

- 14. The Board of Trust of WGH should direct the CEO to ensure that sufficient resources are available to successfully implement this recovery plan's recommendations and to successfully manage the construction and commissioning of the new hospital.**

## **7.5 Other success factors**

WGH's success in making the changes necessary to reduce its' operating deficit to \$2.325 million depends on the leadership provided by the Board, the CEO and the Senior Management Team. They must embrace the notion that the time has come for WGH to take responsibility for its' performance and future financial viability. They must create a culture of efficiency. Continuing reference to past "unfair" treatment and the use of gross indicators to defend hospital performance in lieu of fulsome inquires into improvement opportunities undermine the efforts required to achieve the recommendations identified by this review. The leaders of WGH must communicate the results of the review in a positive way, with an eye to achievement of a more stable operating position for the hospital.

In addition there is evidence of a need for WGH leadership to continue to strengthen and improve relationships with the CCAC and the South West LHIN.

**Recommendation:**

- 15. The CEO and Senior Management Team undertake to develop knowledge in benchmarking and other efficiency strategies for early adoption of best practice opportunities through formal professional development.**

**Recommendation:**

- 16. The Board of Trust, as part of the existing WGH CEO's annual 360 degree performance review seek input from the Executive Director of the CCAC and the CEO of the SWLHIN and at least one neighboring hospital as to their perception of the leadership style of the WGH CEO and the effectiveness of the established working relationship.**

**Recommendation:**

17. The Board of Trust as a Governance best practice initiative may wish to incorporate Board to Board relationship development as part of their annual work plan particularly with the Board of the SWLHIN.

## 8.0 Summary of Recommendations from Review Team

### Recommendation:

1. WGH should immediately undertake appropriate measures and activities to effect a net reduction in its operating deficit of \$2.832 million consistent both with the strategies developed by its management team and with the recommendations developed by HCM. WGH should implement the recovery plan on an expedited basis with most strategies realized within 6 months or by June 1, 2009.

The Board of Trust of WGH and the South West LHIN should require monthly reporting/monitoring by WGH to assess the success of the implementation of the recovery plan.

### Recommendation:

2. WGH should develop a restructuring budget related to the one-time costs particularly those associated with staffing changes.

### Recommendation:

3. That the CEO of Woodstock General Hospital undertake to implement an external review to assist in identifying opportunities to maximize efficient and effective use of the Peri-Operative resources. The organization is encouraged to consider the Peri-Operative Improvement Expert Coaching Team through the Ministry of Health and Long-Term Care Wait Time Strategy.

### Recommendation:

4. The CEO of WGH undertake to role model a positive working relationship with the new CCAC CEO and develop hospital/CCAC staff joint team building activity to strengthen the collaboration between the organizations.
5. WGH should immediately undertake appropriate measures and activities to effect a net reduction in its annual operating deficit of \$640,000 through improved clinical efficiency and that the opportunity arising from the opening of transitional care beds for Woodstock is used to close 7 medical/surgical beds.

The Board of Trust of WGH and the South West LHIN should require monthly reporting/monitoring by WGH to assess the success of the implementation of the recovery plan.

### Recommendation:

6. The Board of Trust and CEO of WGH should support the Chief of Staff in his identification of physician leadership and in the implementation of policies and procedures required to achieve the clinical efficiencies identified by the HayGroup.

### Recommendation:

7. WGH remove the projected cost of growth for 2009-10 of \$0.2 million from its operating plan and be challenged to balance within the provisions of the recovery plan.
8. The Board of Trust and CEO of WGH freeze recruitment of any new positions unless supported by confirmed funding sources (e.g. Post Construction Operating Plan), reductions in

other aspects of the hospitals operations or recommended in this report as necessary to implement the recovery plan recommendations.

**Recommendation:**

9. **WGH, after the implementation of the recovery plan recommendations, will be operating with a \$2.325 million deficit. WGH should manage this deficit with one-time assistance in both 2009-10 and 2010-2011 from the South West LHIN until occupancy of the new hospital in June 2011. Post the negotiation of the PCOP for the new hospital and an assessment of the operating costs of the new hospital the South West LHIN and WGH should undertake a final review to determine if any additional efficiency opportunities can be identified and/or if a base funding adjustment is required.**

**Recommendation:**

10. **WGH should immediately prepare a cash and working capital forecast through to June 2011 that details on a monthly basis (weekly for WGH Finance Committee) its forecasted cash position incorporating:**
  - **the phasing of the savings generated by the recovery plan recommendations,**
  - **the restructuring costs arising from the implementation of the recovery plan,**
  - **the impact of a forecasted deficit in 2009-10 of \$2.35 million,**
  - **strategies to defer/ substitute cash outflows until the occupancy date (see Equipment Acquisition below).**

**The forecast should be reviewed by the RT for adherence to the review recommendations prior to presentation to the Board of Trust and the South West LHIN.**

**Recommendation:**

11. **The SWLHIN should give consideration to assisting the WGH through fiscal 2009-10 and 2010-11 in maintenance of their working capital and cash position until a final operating position is established in June 2011.**

**Recommendation:**

12. **WGH should negotiate with the WGH Foundation a funds transfer plan that allows WGH to access donated funds in the next two years to purchase equipment needed today but slated to be transferred to the new hospital. The transfer plan should be transparent and ensure adherence to the Foundation's stated purposes of the fund raising goals and donor wishes.**

**WGH should otherwise defer current year equipment expenditures to maximize cash available to assist with its working funds deficit. The net equipment depreciation provision of \$1.2 million should be made available to fund the operating deficit prior to any request for assistance from the South West LHIN. WGH may give consideration to increasing the provisions of its equipment leasing plan to cover any capital shortfall for equipment in the new hospital.**

**Under no circumstances should the South West LHIN be (or be perceived to be) funding equipment acquisitions with working capital assistance during the next 2.5 years.**

**Recommendation:**

13. **WGH should recruit and develop medical leadership to assist with utilization management and achieving clinical efficiencies. Investment to support physician education and to reimburse clinicians for lost clinical time will be required as part of the recovery plan process and restructuring costs.**

**Recommendation:**

- 14. The Board of Trust of WGH should direct the CEO to ensure that sufficient resources are available to successfully implement this recovery plan's recommendations and to successfully manage the construction and commissioning of the new hospital.**

**Recommendation:**

- 15. The CEO and Senior Management Team undertake to develop knowledge in benchmarking and other efficiency strategies for early adoption of best practice opportunities through formal professional development.**

**Recommendation:**

- 16. The Board of Trust, as part of the WGH CEO's annual performance review, include a peer assessment component that seeks input from external CEO's as to their perception of the leadership style of the WGH CEO and the effectiveness of the established working relationship. The external viewpoints should at a minimum include the Executive Director of the CCAC and the CEO of the South West LHIN and at least one neighboring hospital. There are several on-line tools that can be used to assess leadership skills while maintaining the confidentiality of the responders.**

**Recommendation:**

- 17. The Board of Trust as a Governance best practice initiative may wish to incorporate Board to Board relationship development as part of their annual work plan particularly with the Board of the SWLHIN.**

## **9.0 Summary of Recommendations from Nursing Consultant**

- (1) VP Patient Services should establish the median of 5.97hrs/case as the target performance level for these combined areas.**
- (2) The VP Patient Services and the Chief of Staff should establish a process to reduce after hours surgery and overtime staff hours.**
- (3) The VP Patient Services should establish the benchmark performance of 4.53 hrs/ppd as the efficiency performance target for the CCC unit.**
- (4) The VP Patient Services should establish a process to reduce/eliminate rehabilitation services until such time as the Hospital receives designated funding for rehabilitation beds.**
- (4) The VP Patient Services should establish a process to transition the performance of the ED toward best practice by starting with the median target of 1.3277 hrs/weighted visit.**

## **10.0 Summary of Clinical Efficiency Recommendations from the HayGroup**

- 1) The Director of Health Records should initiate a review of clinical documentation to ensure that significant patient comorbidities are comprehensively recorded and reported on CIHI data submissions.**
- (2) The WGH Utilization Review Committee should regularly review inpatient admissions for elective surgical procedures that can be offered through day surgery.**
- (3) The WGH Utilization Review Committee should establish a target average Typical case length of stay equal to 90% of the CIHI ELOS, and regularly monitor LOS performance, by Doctor Service, against this target.**
- (4) The South West LHIN should review the utilization of the regional rehabilitation beds at the Parkwood Hospital, to ensure that patients from outside Middlesex County who require rehabilitation care are able to gain access to these beds.**
- (5) The V.P. Patient Services should initiate a process to collaborate with the Family Health Team in transfer of some outpatient services currently offered by WGH.**
- (6) The V.P. Patient Care should engage area long term care homes in discussion of a model of palliative care which will allow appropriate inpatients and Emergency Department patients to be transferred expeditiously to long term care facilities.**
- (7) The WGH Chief of Diagnostic Imaging should develop protocols for the conduct of CT scans on the evening and weekend shifts.**
- (8) The V.P. Patient Services should implement a “discharge appointment” model of facilitating discharge.**
- (9) The Medical Advisory Council should identify and implement an MRP model that is more effective in length of stay management and patient discharge.**
- (10) The South West LHIN should ensure that a mechanism exists to monitor the availability, quality, and accessibility of CCAC services for WGH patients.**
- (11) The Chair of the Utilization Review Committee should ensure that a process is established for the development and implementation of care maps for the most commonly encountered inpatient diagnoses.**
- (12) The Operating Room Committee should explore alternative models for the conduct of urgent and emergent surgery.**
- (13) The Operating Room Committee should conduct a review and redeploy surgical blocks as required to facilitate reduction in length of stay and after-hours activity.**
- (14) The South West LHIN establish a target for WGH to achieve a \$640,000 annual reduction in the cost of inpatient acute care through improved clinical efficiency.**

## **11. Summary of Ambulatory and Outpatient Review Recommendations from the HayGroup**

**The V.P. Patient Services should establish a process to move to FFS and generate revenue for the organization. (Chiropractic Clinic)**

- (2) The V.P. Services and Manager of Imaging should conduct a review of each modality to ensure that the hospital is maximizing revenue generation opportunities. (Diagnostic Imaging)**
- (3) The V.P. Services and Manager of Imaging should develop an integrated approach to breast services and ensure increased efficiency in the process. (Diagnostic Imaging)**
- (4) The V.P. Services and Manager of Imaging should establish processes to reduce overtime in nuclear medicine. (Diagnostic Imaging)**
- (5) The Manager for Dialysis Services should negotiate with LHSC for recoveries of all costs associated with the program.**
- (6) The Manager for Mental Health Services should negotiate with LHSC for recoveries of all costs associated with the program. (Eating Disorder Clinic)**
- (7) The V.P. Patient Services and the Chief Financial Officer should establish a process to separate endoscopy service reporting and pursue any opportunity to maximize revenue generation for this service (i.e. a funding proposal to CCO). (Endoscopy)**
- (8) The V.P. Services and Manager of Laboratory services should conduct a review of the financial impact of reducing/eliminating outpatient diagnostic services not directly related to supporting inpatient and hospital ambulatory services.**
- (9) The CEO and the V.P. Patient Services should review and develop criteria for delivery of outpatient physiotherapy services.**
- (10) The VP Patient Services and Manager Rehabilitation Services should develop and implement a model that includes the use of physiotherapy assistants. (Outpatient Physiotherapy)**
- (11) The CEO and the V.P. Patient Care should establish a process to change the model for speech pathology and purchase service to support inpatient and limited outpatient services that support discharge from the inpatient area.**