

NHH's New Hospital Improvement Plan (HIP)

What is it and why is it
important?

Context

- NHH has faced shortfalls in its operating budgets for a number of years
- Many pressures:
 - increased patient activity & acuity (sicker patients)
 - Alternative Level of Care patient days due to lack of community resources
 - Increased patient transportation costs
 - Inflationary pressures (\$1 M annually)
 - New hospital funding model (competition for fixed \$\$)
- Not alone, many hospitals facing challenges

The “performance factor”

- All hospitals in Ontario are required—by law—to balance their operating budgets
- In August, 2014 we alerted our funder—Central East LHIN—to heightened concerns regarding our financial position for 2014/15 and beyond
- Hospitals with a “performance factor” must follow a set process with their LHIN to resolve it - *Guidelines for Hospital Audits and Reviews*
 - NHH-led Coaching Review conducted in early winter 2014/15
 - LHIN-led Operational Review conducted in summer/fall of 2015/16

External reviews

- Purpose of the reviews was to provide the NHH/LHIN with the necessary evidence for a Hospital Improvement Plan (HIP)
 - a roadmap to address the “performance factor”
- NHH’s Operational Review, conducted by Hay Group, provided the most extensive examination of our situation
- Research and consultation with stakeholders key part of Hay Group’s work

Stakeholder consultation – Hay Report

- Internal
 - Board, community committee volunteers, staff, management, physicians, volunteers
- External
 - Leaders at other Central East LHIN hospitals
 - Health service providers in our area (CCAC, Community Care Northumberland, Northumberland Family Health Team, Port Hope Community Health Centre, long-term care facilities)
 - Municipal leaders (mayors/deputy mayors/warden)
 - General public
- Phone interviews, one-on-one meetings, Town Halls (in-person + phone), surveys (paper, web)

What did the External Operational Review (Hay Report) find?

- Positive review
- The Hay Report affirmed the following:
 - NHH is an efficient hospital
 - NHH is well governed, well managed
 - No service reductions nor reductions in service volumes recommended
- Recommendations with regard to *the way* NHH delivers services today were made

External Operational Review (Hay Report) recommendations

- 54 recommendations involving:
 - Board & management
 - Utilization of services
 - Clinical efficiencies
 - Operating efficiencies
 - Integration
- Internal clinical and operating efficiency opportunities = \$3.1 M
- Opportunities to further reduce costs through integration = \$2.2 M
- Total opportunities identified by Hay: \$5.3 M
- Recognized this would help NHH address a portion of financial pressures – still not enough to resolve financial challenge, ensure sustainability – LHIN/Ministry assistance required

NHH / Central East LHIN Board response to Operational Review

- NHH Board received the Hay Group report in October 2015
 - Agreed to actively pursue all of the 54 recommendations
- Central East LHIN Board received the report October 28, 2015
 - Passed a motion directing NHH to return with a full, implementable Hospital Improvement Plan (HIP) in December 2015

NHH HIP approval process

- NHH HIP presented to Central East LHIN Board in December
- Asked to make some revisions to clarify accountabilities and timelines
- Revisions completed and NHH Board approved revised HIP on January 7, 2016
- Revised HIP was approved by Central East LHIN Board January 13, 2016

Central East LHIN motion, NHH HIP

Be it resolved that the Central East LHIN Board of Directors approve Northumberland Hills Hospital to implement immediately all the initiatives as documented in its revised NHH Board-approved Hospital Improvement Plan (HIP), and to work with the LHIN to support the Hospital's release of its HIP to affected stakeholders and the public.

And further be it resolved that the Central East LHIN Board of Directors direct Northumberland Hills Hospital to:

- 1. accelerate the development and implementation of concrete integration action plans and the alignment of its funding model to the Ontario average and provide the LHIN Board with an update at its April 2016 open Board meeting;*
- 2. apply the LHIN's one-time funding assistance of \$1,649,600 to address restructuring and other costs associated with the implementation of the NHH Board-approved initiatives and obligations; and*
- 3. report back regularly to the LHIN Board beginning in May 2016 on the implementation of its revised HIP and its regular operations, including alternative mitigation strategies and initiatives should any initiative in the NHH Board-approved HIP falter over a period of two successive quarters (beginning with the 4th Quarter of 2015/16).*

NHH HIP - Multi-year plan

- NHH HIP is a multi-year plan
- HIP aligns closely with recommendations made by the Hay Group in their External Operational Review
- All services will continue at NHH, no changes in service volume required
- Changes to the way NHH delivers services are required
- Some initiatives span two years
- Others may take three/four years to implement

NHH HIP – Multi-year plan

- Next two years (2016/17 and 2017/18) will be focused on achieving \$2.8 M in annualized savings – multiple initiatives
 - Utilization efficiencies
 - Clinical efficiencies
 - Operational efficiencies
- Work to explore savings through integration (\$2.2 M expected) will also begin immediately with implementation spanning several years

2016/17 HIP initiatives

The following efficiency initiatives will be implemented by July of 2016:

- Reduce support services management (complete)
- Increase front-line manager, decrease director role (1/1 - complete)
- Modify housekeeping/cleaning frequencies in non-clinical areas

2016/17 HIP initiatives

- Achieve median productivity performance in ED (over 2 years)
- Consolidate Med/Surg (2A/2B) into one 36-bed unit to achieve productivity target of acute care
- Move 4 acute care beds downstairs from 2A
 - 2 acute care beds Inpatient Rehabilitation (20-bed unit)
- Combine staffing in Restorative/Palliative Care Units - one 24-bed unit (Palliative remains in current location)
- Combine staffing in Ambulatory Care and Pre-Op Assessment Clinics
- Meet targeted performance levels throughout
- No change in total # of acute care beds

2016/17 HIP initiatives

- Revise approach to providing relief staffing (float pool)
- Achieve improved productivity performance level in Lab
- Reduce non-labour costs in Diagnostic Imaging (complete)

2016/17 HIP investments

- HIP also includes selected investments:
 - Increased hours of staffing in ICU (reflects hospital's rising patient acuity)
 - Increased funding to support work of medical leaders (to support implementation of the HIP initiatives)

HIP initiatives spanning next two years (2016/17 – 2017/18)

- Achieve median performance in ED (spanning 2 years)
- Reduce length of stay for acute care cases
- Reduce number of unnecessary admissions

HIP initiatives spanning next two years (2016/17 – 2017/18)

- Achieve “break even” state in retail food services
- Outsource microbiology
- Introduce point of care (bedside) testing for selected lab tests
- Introduce voice recognition (transcription)

HIP initiatives spanning next two years (2016/17 – 2017/18)

- Explore and assess opportunities in clinical engineering maintenance contracts
- Alter approach to after-hours management
- Review Hospitalist program model

Expected impact of 2016/17 and 2017/18 initiatives

Work completed in 2016/17 will result in:

- \$1.8 M in annualized savings
- Net reduction of 13.17 FTEs (full-time equivalent positions)

Work completed in 2017/18 will result in:

- further annualized savings of \$1.0 M bringing the total to \$2.8 M

The human resource impact of initiatives beyond 2016/17 is not known at this time

Integration initiatives

Operational Review identified a number of areas for integration:

- Corporate services
 - finance, human resources, information systems
- Support services
 - communications, materials management, laundry/linen, health records
- Clinical engineering
 - biomedical, equipment contracts
- Clinical laboratories

LHIN expectations of NHH HIP

- Efficiency improvements of \$2.8 M over the next two years
- Integration savings estimated at \$2.2 M
- Will not provide a balanced budget
 - understand further change coming regarding Ontario's hospital funding formula

Next steps - implementing 2016/17 initiatives

- Working with union partners to minimize amount of staff positions affected (offers of early retirement, part-time employment, etc.)
- Working closely with front-line staff to implement changes – re-engineering processes as necessary, team approach
- Carefully monitoring impact/progress
- Health system is going through a period of significant transformation, and all hospitals – not just NHH -- are coming under enormous pressure to do more with less funding

Why is the HIP important for NHH, this community?

- Must stabilize our financial situation
- HIP initiatives will not get us all the way there – but our work to do, based on evidence, research, best practice
- We are continuously looking for ways to be more efficient
- We will monitor impact/progress as we go – great team
- Efficiency will not be allowed to trump quality – must go hand in hand
- All services will continue at NHH, and no changes in service volume are planned

Questions?

