



NORTHUMBERLAND HILLS
HOSPITAL

2010/2011 Operating and Service Plan





Community



Requires our attention



Our Financial Realities

- By end of 2010/11, four years of operating deficits
- Significant and growing debt load
- Required by law to balance our budget

Key Figures and Milestones

- March 31, 2008 Operating Deficit ~\$560,000
- April 23, 2008 Hospital Service Accountability Agreement signed projecting two years of deficits:
 - 2008/09 \$1.5 Million
 - 2009/10 \$2.0 Million
- December 15, 2008 Launch of *Shared Challenge, Shared Solution* collaborative budget strategy
 - March 26, 2009 budget announced with \$1.4 Million operating efficiencies
- March 31, 2009 Operating Deficit ~\$2.0 Million
- March 31, 2010 Projected Operating Deficit ~\$1 Million plus Restructuring Costs

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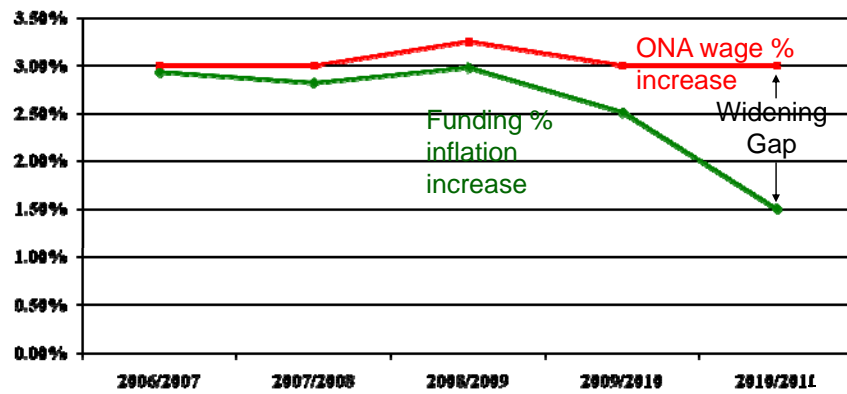
Pressures

- Alternative Level of Care patients
- Economic downturn

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Cost Pressures

Funding not keeping pace with inflationary pressures



Our challenge



Stakeholder Consultation

Communication tools



Making choices...together

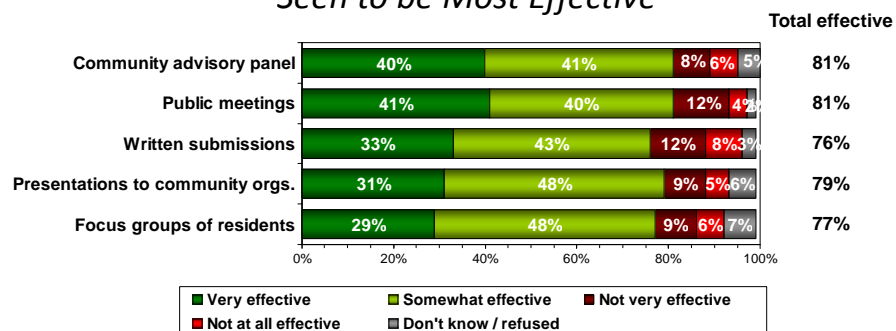


NHH Principles for Public Input:

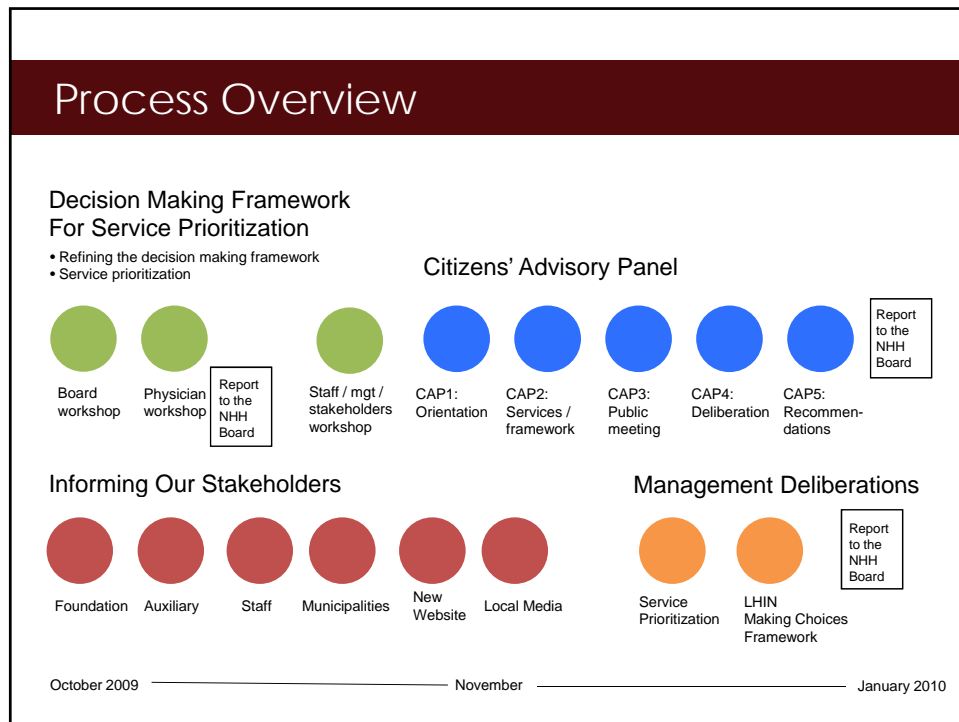
- Proactive
- Transparent
- Inclusive

April 2009 Telephone Survey Results

Effectiveness of Public Consultation Methods – Top 5: *Community Advisory Panel and Public Meetings Seen to be Most Effective*



Q13-21. Now, I am going to read to you some methods that the Northumberland Hills Hospital might use to obtain input from the community relating to its budget and services provided. For each, please tell me if you think it would be a very, somewhat, not very, or not at all EFFECTIVE method of obtaining the community's input. [RANDOMIZE]





Accreditation 2010

Strengths:

- Corporate ethics framework and decision-making criteria for service prioritization
- Community engagement
- Culture of transparency
- Culture of patient-centred care and patient safety

NHH Mandate

Strong consensus from all stakeholders,
NHH is a community hospital providing
acute care services.

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Overall Budget Strategy

- **Step 1: Operating Efficiencies**
 - Launched *Shared Challenge, Shared Solution* collaborative budget strategy in December 2008
 - March 2009 announced budget with \$1.4 million in operating efficiencies
 - NHH is efficient based on all key measures
 - Commitment to “Value for Money”
- **Step 2: Alternative Level of Care (ALC) Strategy**
 - New provincial Transitional Care Program Framework
- **Step 3: Service Realignment**
 - Using the Ministry/LHIN “Framework for Making Choices”

Step 1: Operating Efficiencies

Shared Challenge, Shared Solution

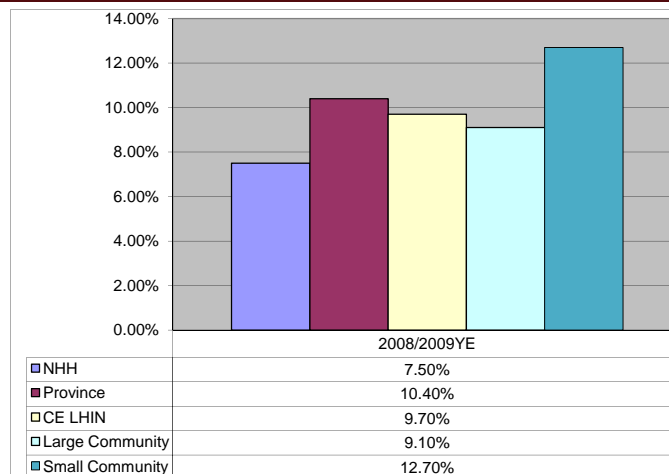
- Revenue stream
- Zero-Based Budgeting by Department
- Department/Program Benchmarking
 - “...screening percentages at the best quartile are better than most of our other client hospitals for whom we have done performance benchmarking.” HCM Group
- Sick time: Attendance Awareness Program
- Overtime management
- *Bright Ideas* for front-line staff
- Physician remuneration
- Continue to explore regional integration opportunities
- Learning from other hospital Operational Review Reports
- Applying the Ontario Hospital Association’s “Leading Practices” guidelines

Administration Costs

Includes the following functions

- Administration
- Executive Offices
- Utilization Management
- Infection Control
- Communications
- Organizational Development
- Finance
- Decision Support
- Payroll
- Human Resources
- Employee Health
- Information Technology
- Telecommunications
- Quality and safety
- Risk Management

Administrative Percent of Total Expenditures

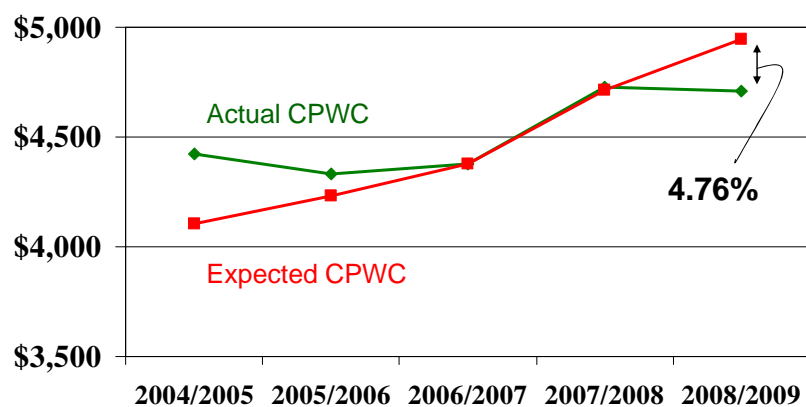


NHH spends between \$860,000 and \$1.6 million less than other hospitals for Administration

Management Costs

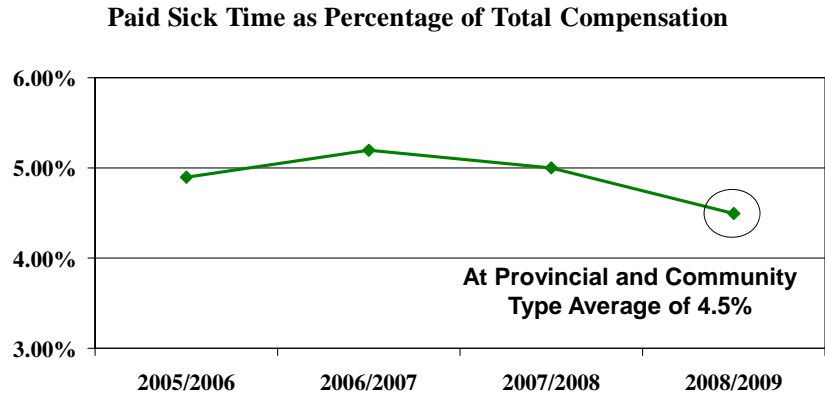
- Key facts:
 - Total hospital budget ~\$60 million
 - Total full-time equivalents (FTEs) ~380
 - Total personnel “head count” ~540
- Number of management positions (2010/11)
 - 23.2 FTEs
 - or 6% of paid hours
 - or 4.9% of total operating budget
- *"From my perspective, they are a very efficient organization," he said. "There is no leaner management team in this LHIN."*
Paul Barker, CELHIN, Senior Director
- *"That hospital [NHH] is probably the leanest in the whole province when it comes to administration."*
Foster Loucks, CELHIN, Chair

Cost per weighted case



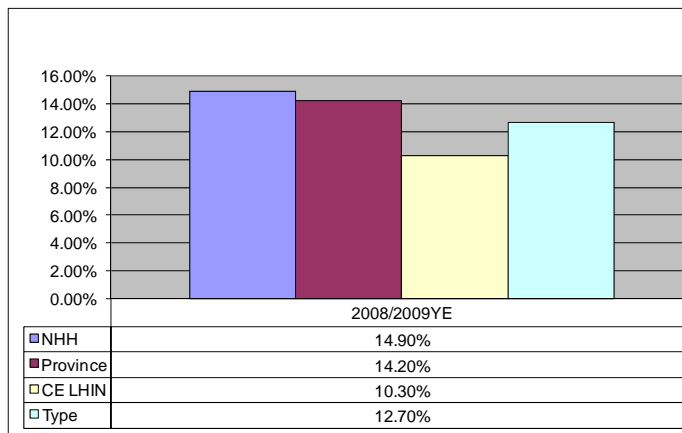
Steady improvement: NHH performed 4.76% better than expected cost per weighted case in 2008/2009

Paid sick time



Continued improvement in reducing paid sick time through heightened attendance awareness programs

Percent Non-Ministry Revenues



NHH performs better than other hospitals on generating non-Ministry revenue: less dependency

Service Operating Efficiency

Integrate the Monday to Friday, 1:00 PM to 6:00 PM **Fast Track** service into the main operation of the NHH Emergency Department.

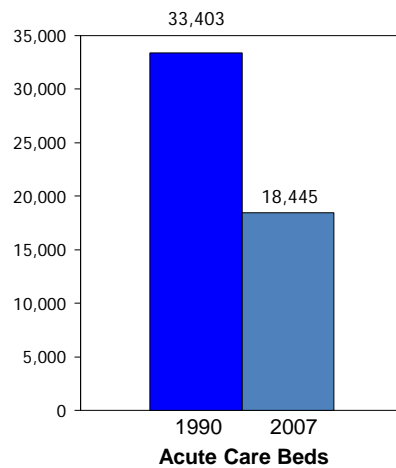
Step 2: ALC Strategy

NHH Beds in Operation

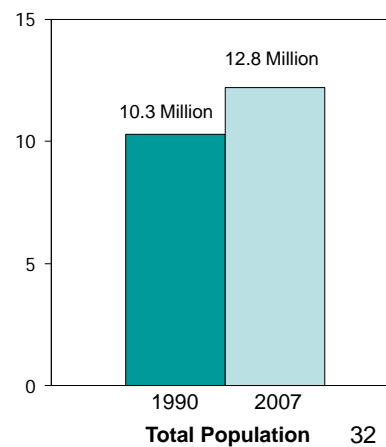
PCOP As Built	Final PCOP 2003/204	Actual Opened 2003/2004	Between 2004/2005 to 2009/2010	Planned 2010/2011
137	117	117	107 to 115	84

Ontario: Changing Hospital Capacity

45% Decrease in Hospital Beds



25% Increase in Population



Transitional Care Program

- New provincial Transitional Care Program Framework
- At NHH, 25% to 30% of beds occupied by ALC patients

NHH Comprehensive ALC Strategy

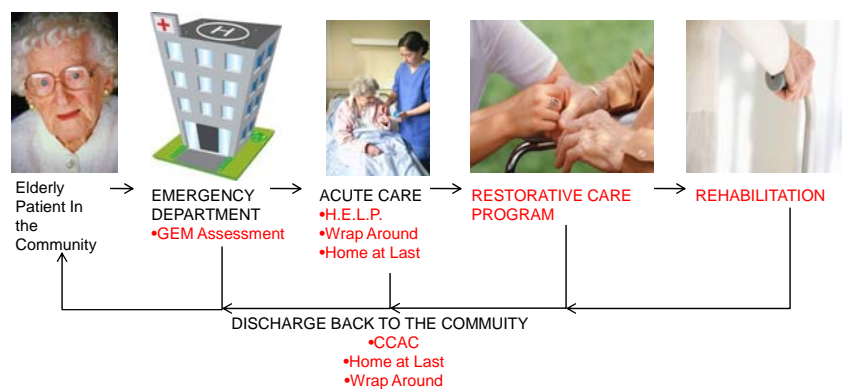
- New initiatives to reduce the ALC patients:
 - New beds for Interim Long-Term Care and Restorative Care will be opened in the community by the Central East LHIN
 - 8 Restorative Care Beds opened at NHH
 - Wrap Around
 - Hospital Elder Life Program

NHH Comprehensive ALC Strategy

Closure of ALC beds:

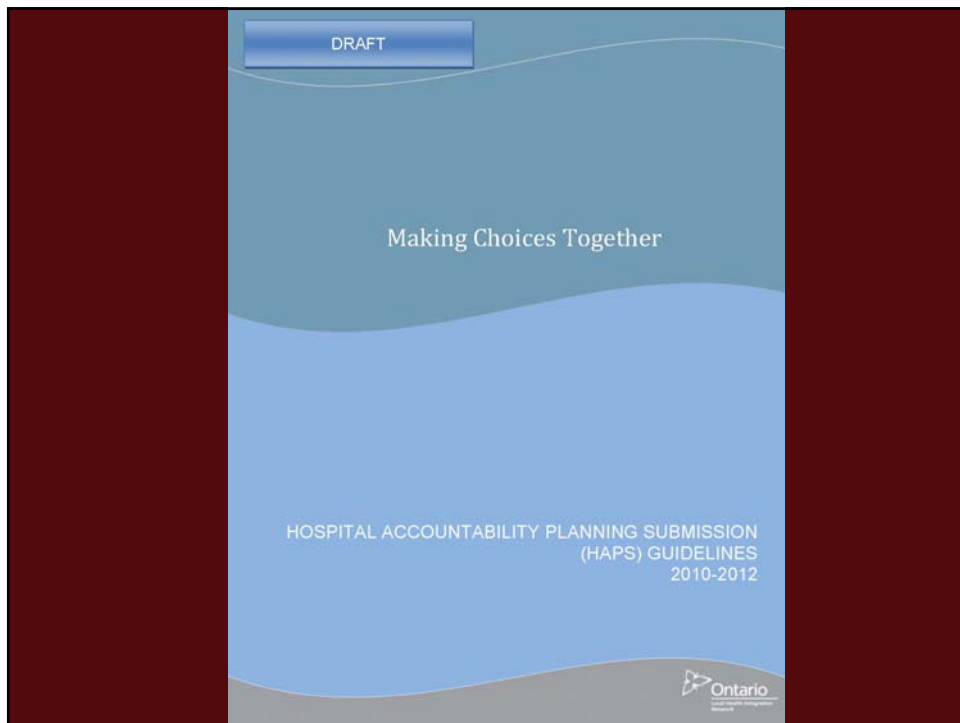
- 7 Complex Continuing Care Beds
- 16 ALC Beds on the acute care units

INTEGRATED SERVICES SUPPORTING ELDERLY PATIENTS RETURN TO COMMUNITY

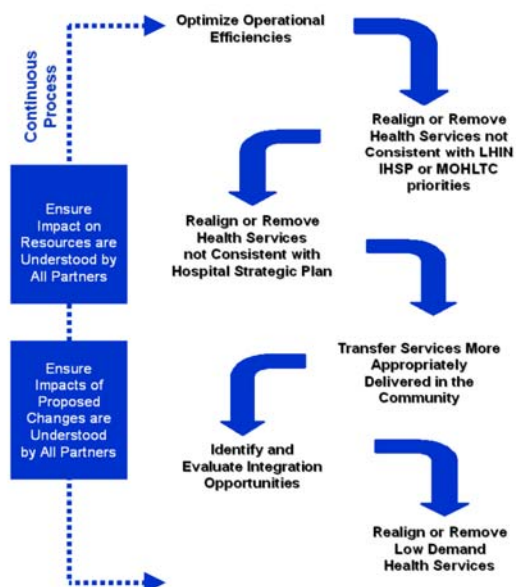


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Step 3: Service Realignment



LHIN/Ministry: Making Choices Framework



Services Maintained

- Emergency and Intensive Care Unit
- Surgical Program
- Medical / Surgical Acute Care Inpatient Beds
- Maternal Child Care (Labour and Delivery)
- Palliative Care
- Inpatient Rehabilitation
- All Diagnostic Imaging Services:
 - Radiology, CT, MRI, Ultrasound, Mammography, Bone Mineral Densitometry, Nuclear Medicine
- Ambulatory Care
- Chemotherapy Clinic
- Dialysis Clinic
- Community Mental Health

Service Realignment

- 11 Interim Long-Term Care Beds
 - Focus on our core acute care services
 - Economies of scale: Financially not sustainable due to regulatory requirements
- Outpatient Diabetes Education Clinic
 - Duplicate service
 - Ministry program: Diabetes Complication Prevention Strategy (DCPS)
- Outpatient Rehabilitation
 - Available locally through private clinics

In Summary

- Secures our Hospital's future by focusing on our core acute care services
- Balances our budget and addresses accumulated debt load
- Meets our legal obligations to balance and maintains local control
- Enhances quality care and patient safety for the services provided
- Acknowledges that NHH is part of a larger health care system



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