



NORTHUMBERLAND HILLS
HOSPITAL

2013/2014 RECOVERY PLAN

Presentation for the
Central East LHIN
Board of Directors
July 24, 2013

Hospital-Service Accountability Agreement (H-SAA) Condition

- NHH is to develop and submit to the Central East LHIN board, at its July 24, 2013 meeting, a plan to pay down any increase in working funds deficit generated during fiscal 2012/2013
 - Total deficiency of revenue over expenses per the audited 2012/13 Annual Financial Statements was \$752,955 or 1.2% of total revenue.
 - Recovery within a reasonable time period.

Who is Northumberland Hills Hospital (NHH)?

Northumberland Hills Hospital



Acute care community hospital with capacity for 137 beds; currently staffing and operating 92 beds.

Serves approximately 60,000 residents in the Town of Cobourg, Municipality of Port Hope, and the townships of Hamilton, Alnwick / Haldimand and Cramahe.

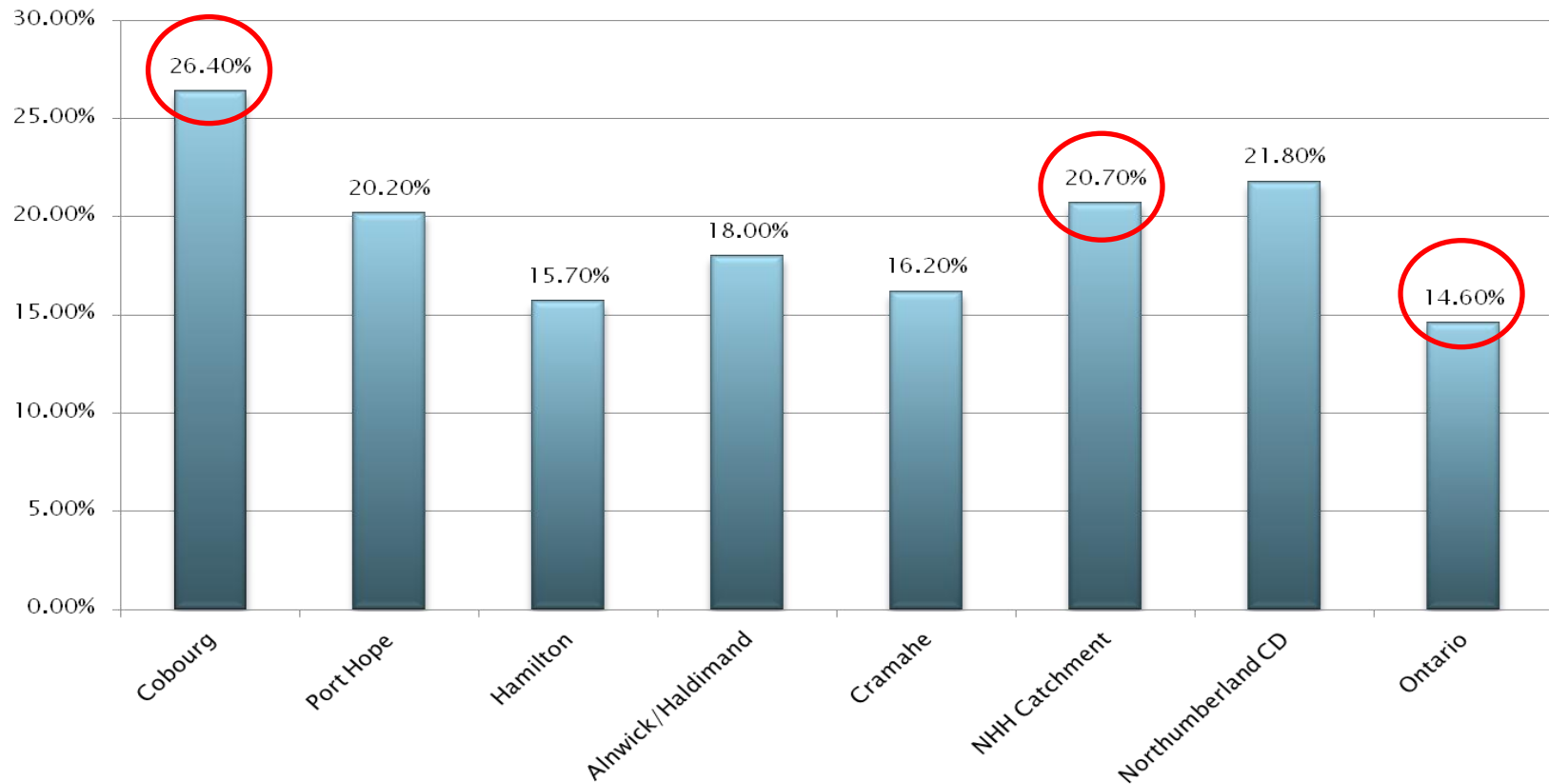
Delivers a broad range of acute, post-acute, outpatient and diagnostic services.

NHH employs approximately 600 people and relies on the additional support provided by physicians and volunteers.

NHH is an active member of the Central East Local Health Integration Network.

Northumberland is considerably older than Central East LHIN and Ontario

Age Distribution > 65 Years



NHH Strategic Plan 2010-2014



Our Mission: Exceptional patient care. Every time.



NORTHUMBERLAND HILLS
HOSPITAL

Our Shared Vision:
Leaders and partners
creating health care
excellence.

Scope of Services

ACUTE CARE

Emergency Department (~ 31,000 visits)
Intensive Care Unit (Level 2: 6 beds)
Medicine/Surgical Inpatient (40 beds)
Surgical Services (3 ORs: ~5,000 cases)
Maternal child Care (6 beds: ~500 births)



POST ACUTE CARE

Palliative Care (6 beds)
Inpatient Rehabilitation (18 beds)
Restorative Care (16 beds)

OUTPATIENT

Diagnostic Imaging

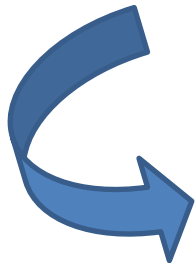
Radiology, CT, MRI, Ultrasound, Mammography,
Nuclear Medicine, Bone Mineral Densitometry

Ambulatory Care

Satellite Chemotherapy Clinic

Satellite Dialysis Clinic

Community Mental Health



Service Realignment

Northumberland Hills Hospital Citizens' Advisory Panel on Health Service Prioritization



Final Report

Prepared for the Northumberland Hills Hospital
January 2010

Service prioritization completed in 2010, including public input through a Citizen's Advisory Panel, resulting in a clear service mandate as described in the NHH Strategic Plan:

NHH is a community hospital providing acute care services to the west Northumberland community. In addition, when financially feasible and appropriate, in order to improve local access, our Hospital partners with other health service providers to deliver advanced or specialized health services.

NHH is committed to continuously explore and implement delivery models that will integrate services across the health care system in order to enhance quality of care, improve access to services and ensure effective use of resources.

Service Realignment

- Divestment / closure of services completed (2010 – 2011):
 - 16 Acute Care (ALC) beds
 - 11 Interim Long-Term Care beds
 - 7 Complex Continuing beds
 - Outpatient Diabetes Education
 - Outpatient Rehabilitation
 - Fast Track
- New investments
 - 16 Restorative Care beds
 - Gerontology expertise
 - ALC strategy: HELP, Enhanced Therapies, Home First

Voluntary Integrations



Discovery. Recovery. Hope.



NORTHUMBERLAND HILLS
HOSPITAL



**75% increase in
patient activity
with no increased
funding required**



NORTHUMBERLAND HILLS
HOSPITAL

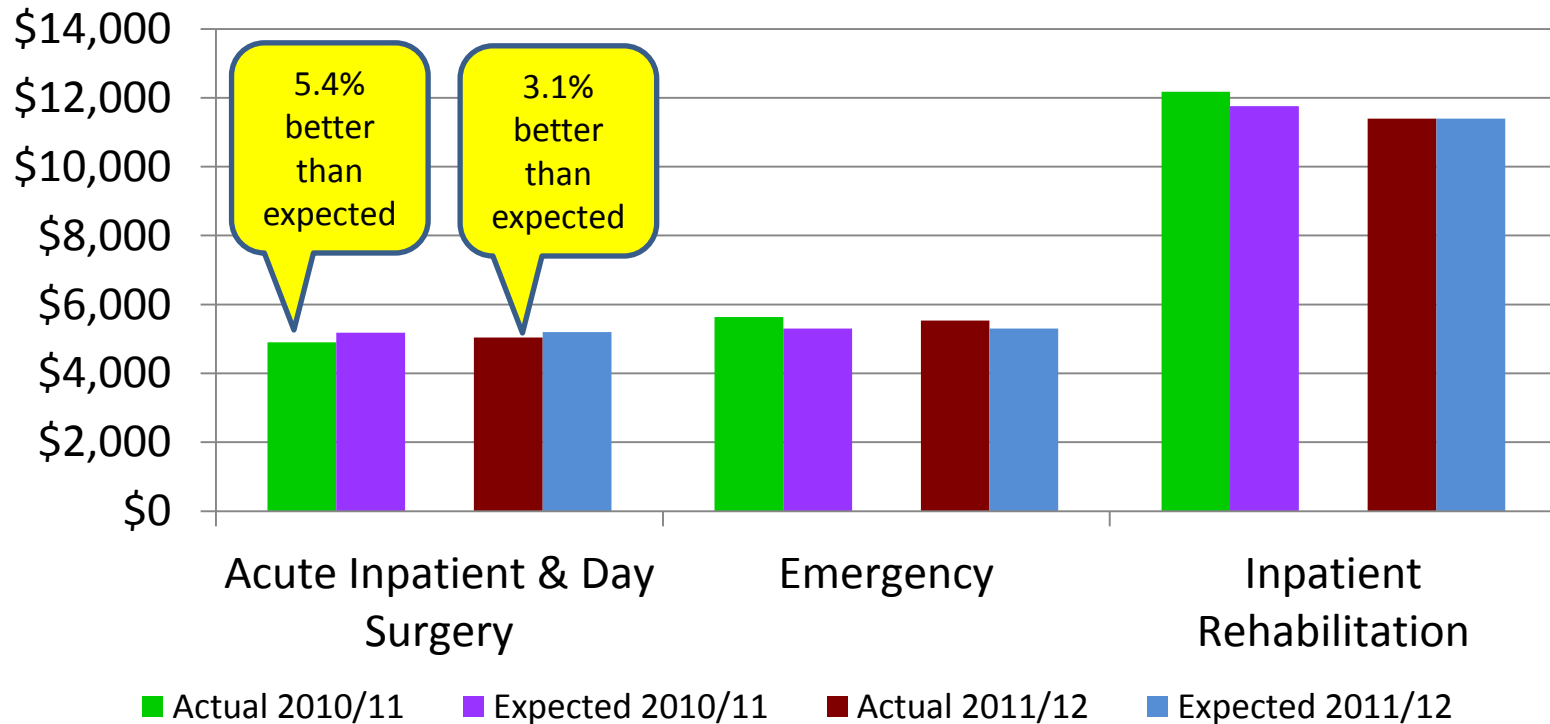


**Expect 100%
increase in
patient activity
within program
funding**

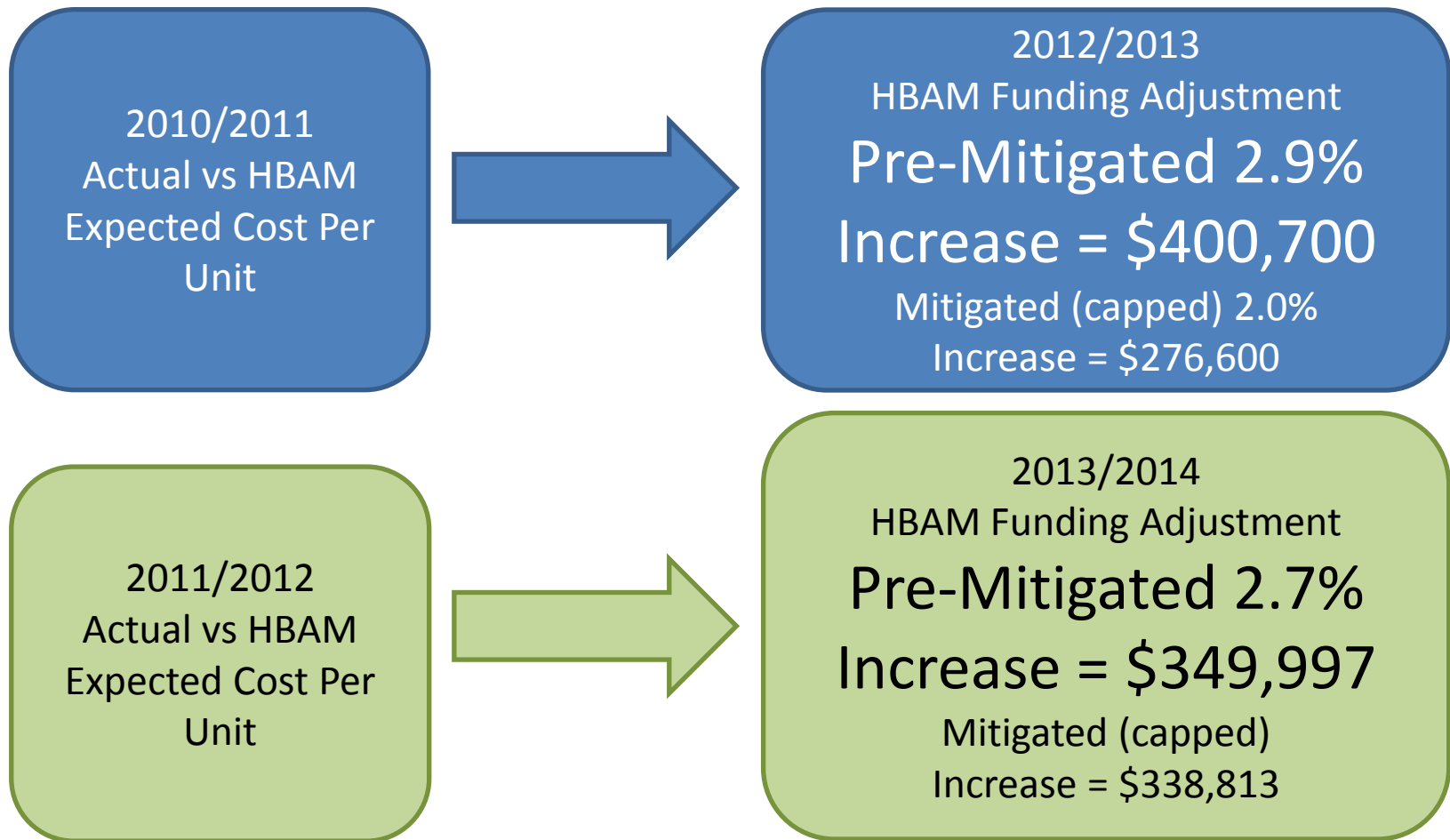
NHH is an Efficient Hospital

HBAM Performance

Actual vs HBAM Expected Cost Per Unit for 2010/2011 and 2011/2012

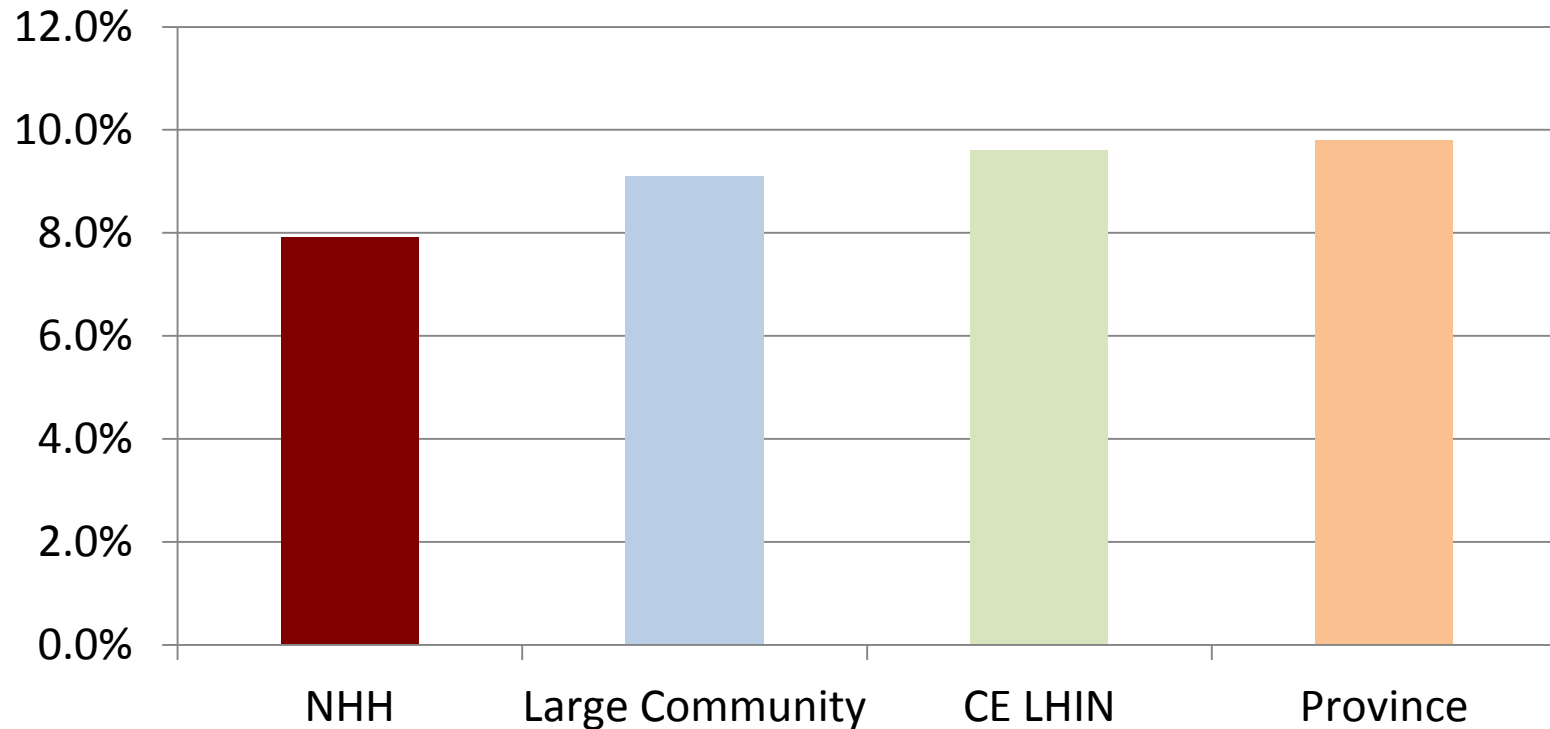


NHH only CE LHIN Hospital to Maximize HSFR Funding in 2013/2014



Administrative Overhead

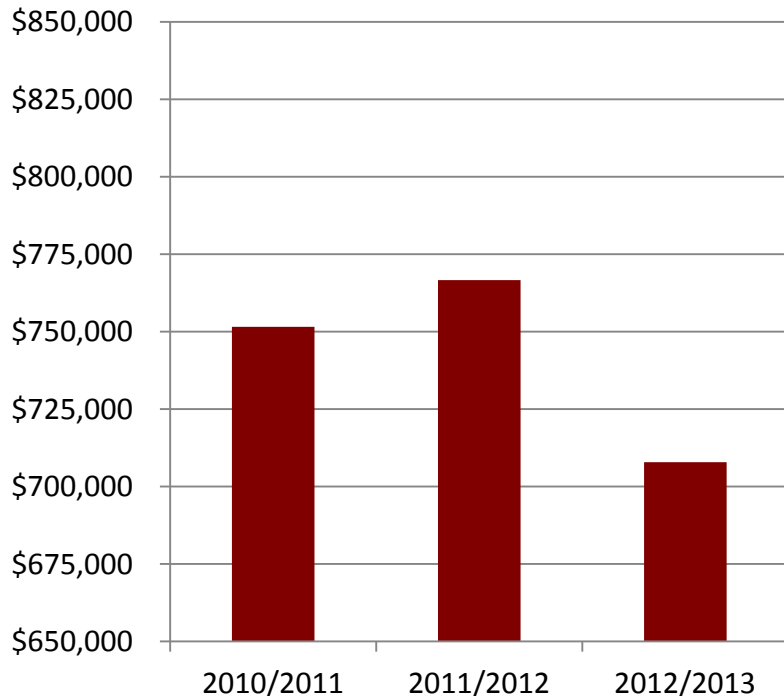
Administrative Overhead Consistently less than Peers



Sick and Overtime

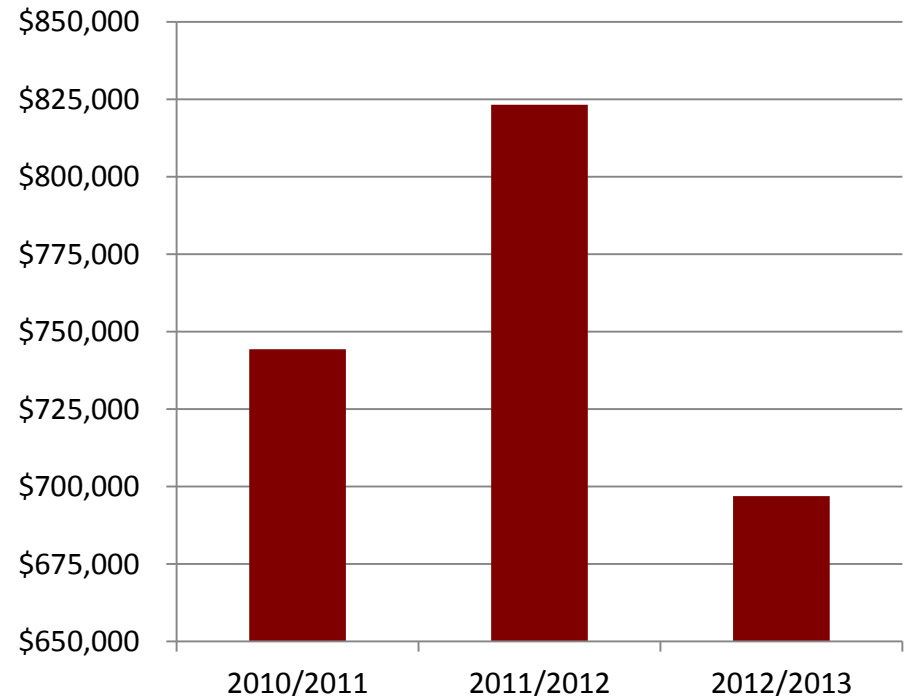
Sick Time Dollars Paid

8% decrease in 2012/2013



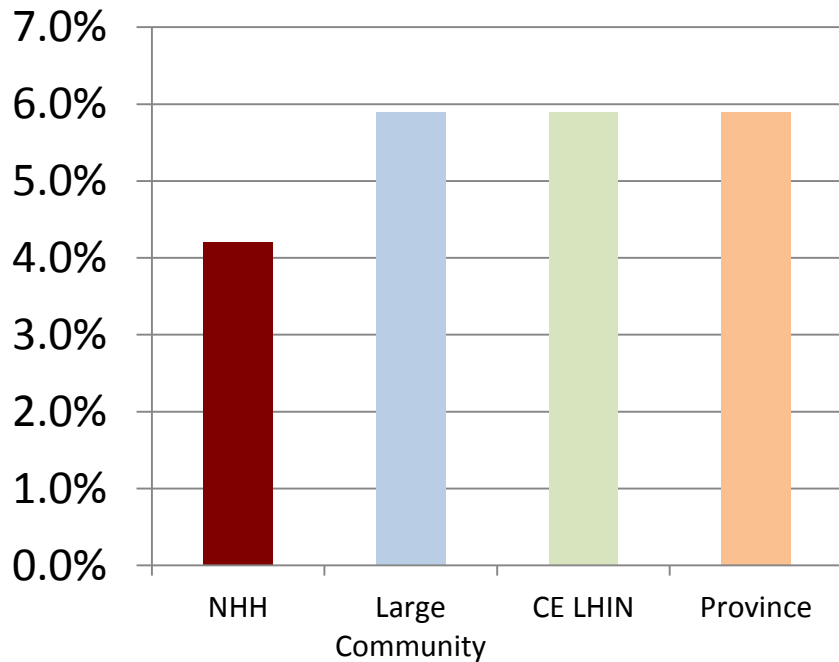
Overtime Dollars Paid

15% decrease in 2012/2013

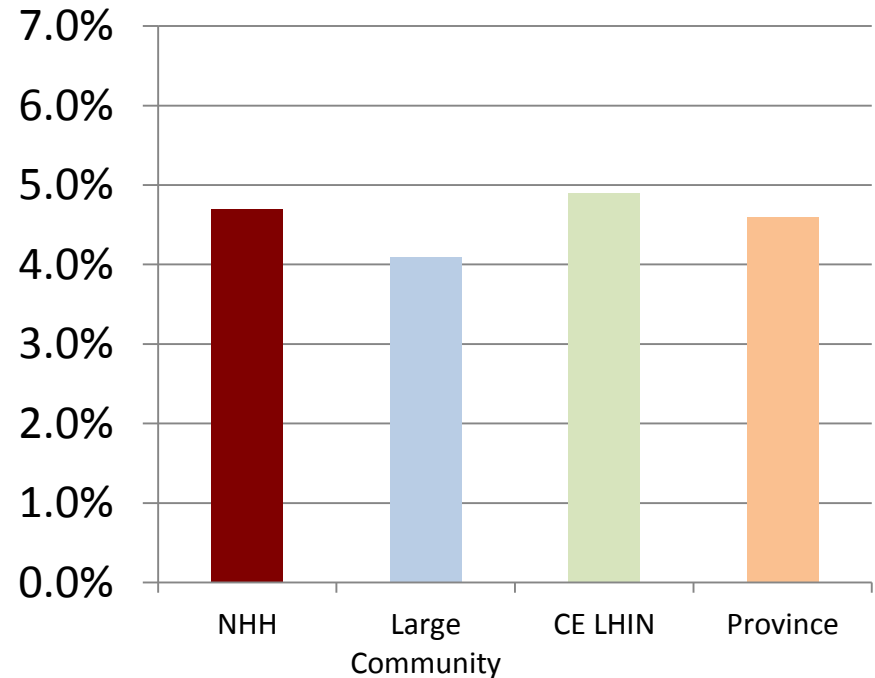


Medical Surgical Supplies & Drugs

Percentage Medical Surgical Supplies of Total Expenses
Consistently less than Peers



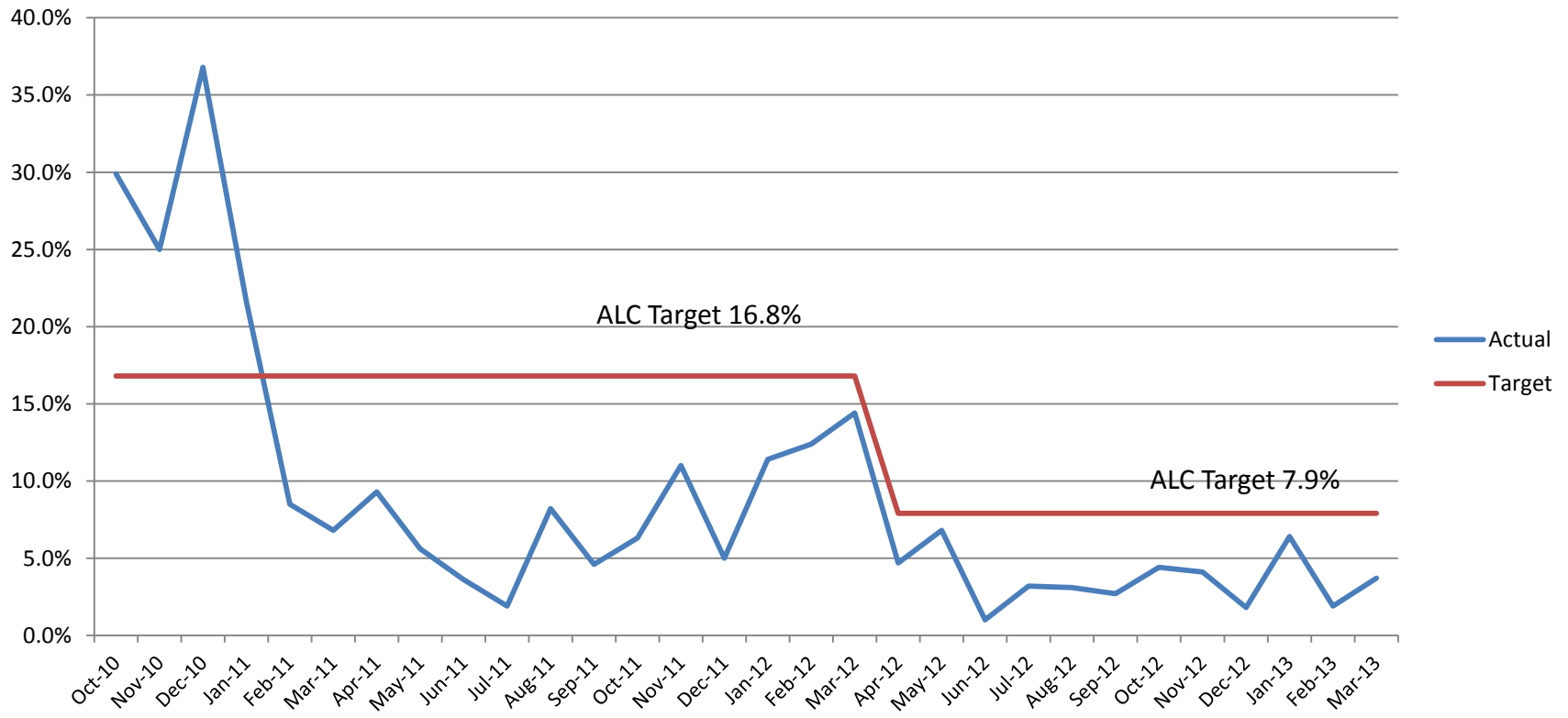
Percentage Drugs & Medical Gases of Total Expenses
Comparable to Peers



ALC Performance

Alternate Level of Care (ALC) Performance

Sustained Improvement



Understanding 2012/2013 Deficit

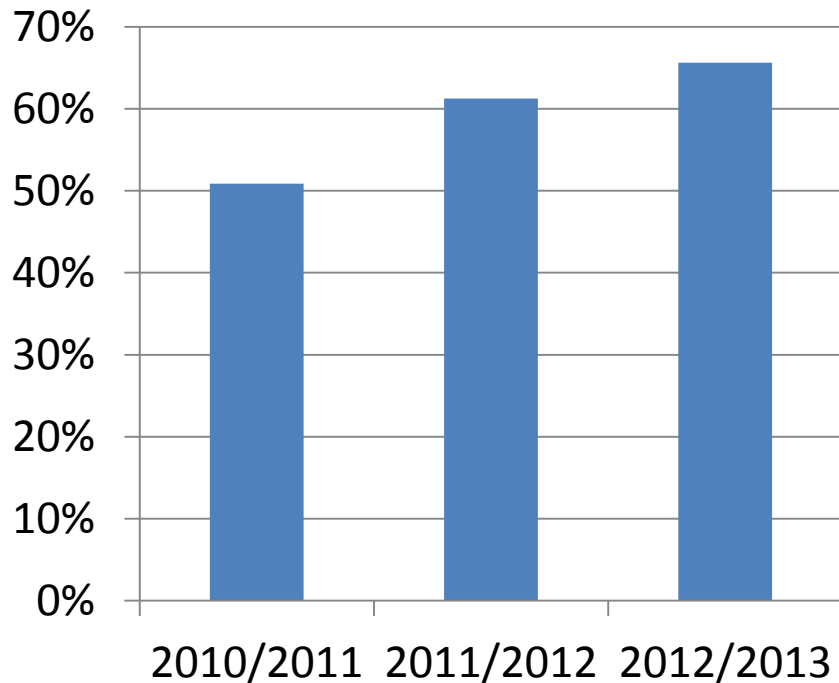
2012/2013 Deficit of \$752,955

- Two components:
 1. \$315,177 or 42% = Net Operating Expenses resulting from operating pressures
 2. \$437,778 or 58% = Net Restructuring Expenses related to strategies being implemented to balance the approved 2013/2014 Operating Plan

Increasing ICU Activity and Acuity

ICU Bed Occupancy Rate

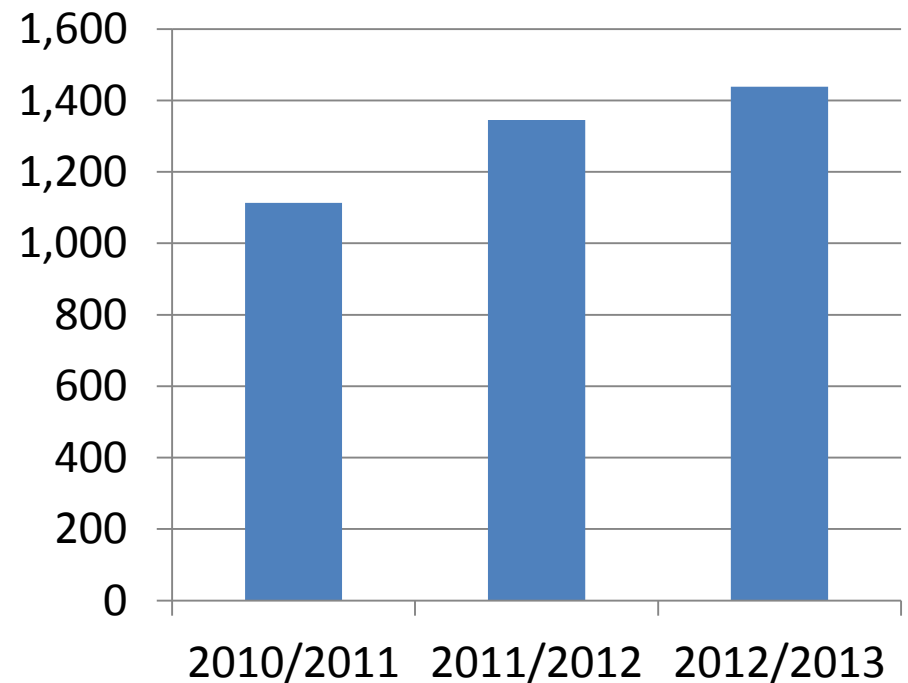
15% increase in 2 years



ICU Acuity

(as measured by Total Patient Days with Ventilation Intervention)

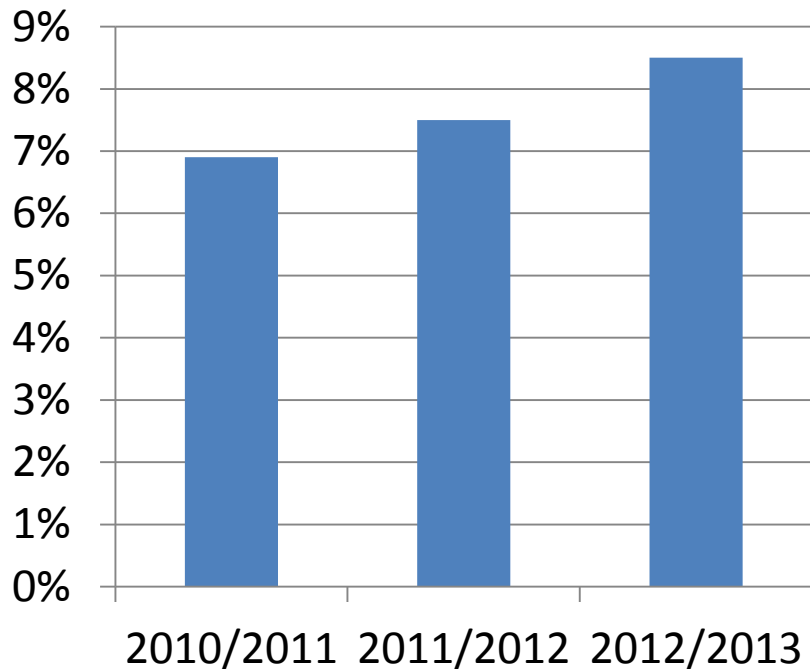
29% increase in 2 years



Increasing ER Activity and Acuity

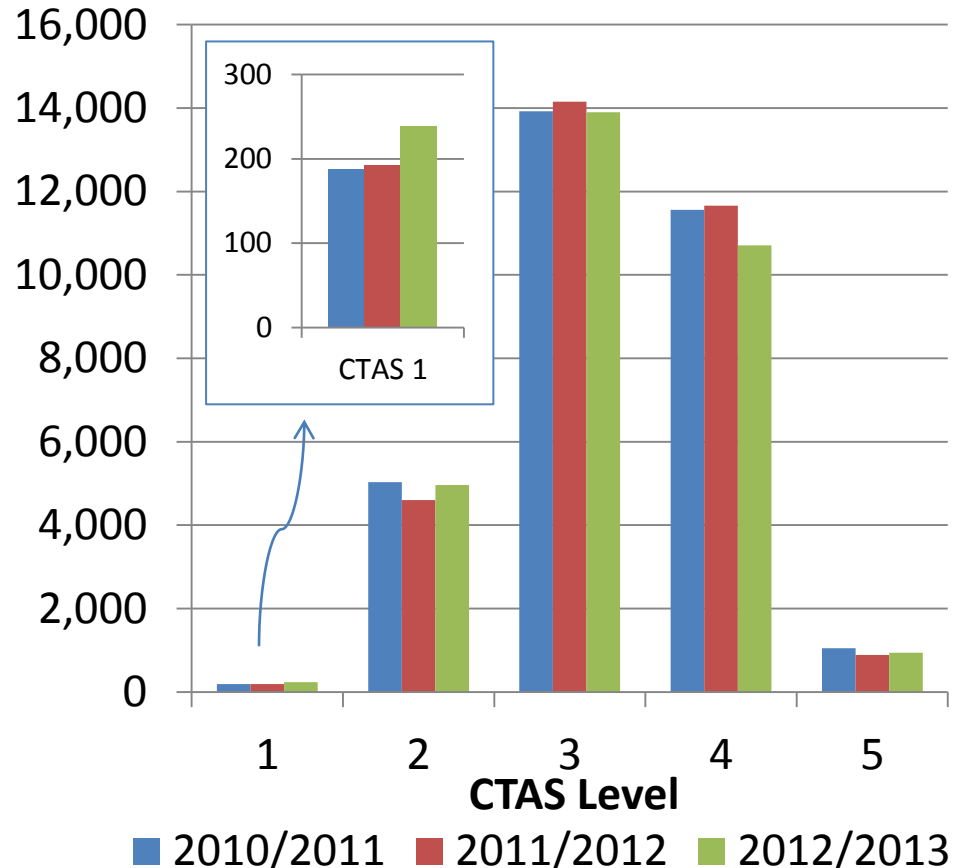
Percent of ED Patients Admitted

19% increase in number of ED admits in 2 years



ED Visits by CTAS Level

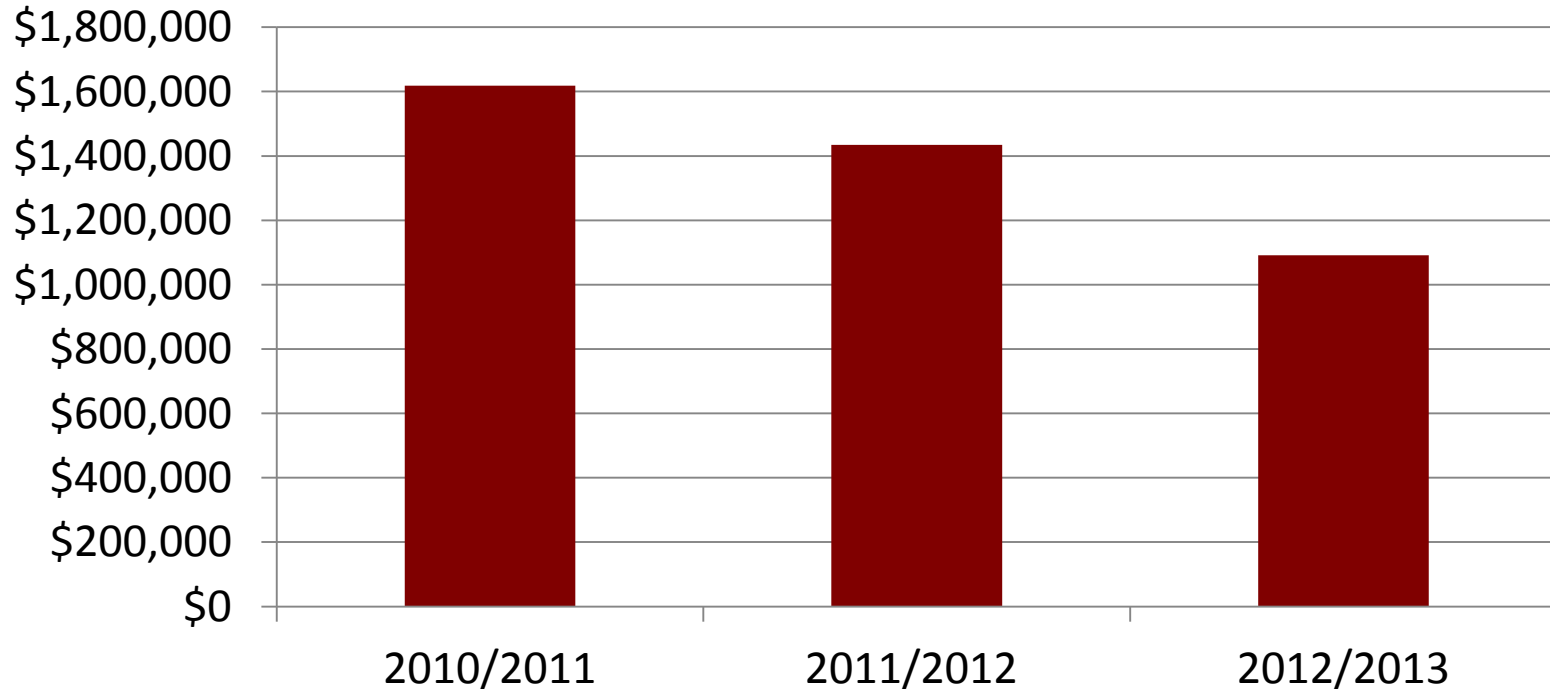
27% increase in CTAS 1 in 2 years



Lost Differential Revenue

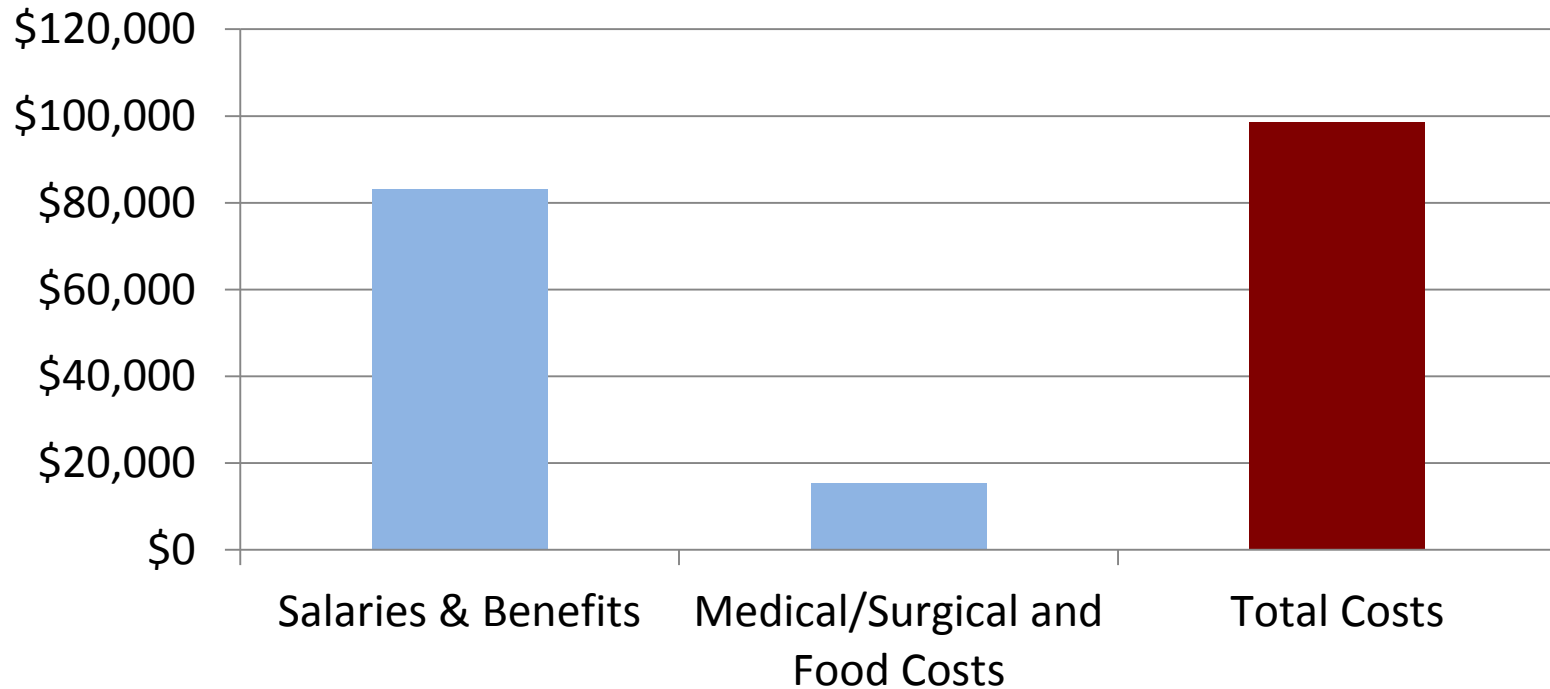
Differential Revenue (Preferred Accommodation and Co-payment Revenue)

\$526,354 or 33% decline in 2 years



Estimated Surge Expenses

**Estimated Incremental Expenses during Surge
Dec 22/2012 to Jan 15/2013
\$98,500 unexpected costs**



Mitigation Strategies

Mitigation Strategies: 2012/2013

- Net new Central East LHIN/MOHLTC Revenues
 - Cataracts, CT, Pay for Results, OHIP fees
- Reduced staffing costs:
 - Reduced vacancy rates thereby reducing need for overtime
 - Reduced sick time and overtime
 - Reduced non-mandatory education / orientation
 - Hiring freeze for non-clinical positions
- Stockless Inventory (May 2012)
- Non-urgent Transportation Policy (Oct 2012)
- Revised Isolation Policy (Nov 2012)
- Increased Parking Rates (Jan 2013)
- Introduced New Hospitalist Model (Dec 2012)

Mitigation Strategies: 2013/2014

- Increased pulmonary function testing revenue
- Annualization of new rental income streams
- Reduced reliance on Emergency Department physician agency staffing thereby reducing agency fees
- Expand Hospitalist program
- Reduced referred out costs
 - Patient transportation
 - Internists
 - Pathology fees
- Eliminated regional CIO fees no longer required

Mitigation Strategies: 2013/2014

- Change in schedules on Post Acute Care to address full-time/part-time ratios to improve staff retention and reduce orientation costs
- Adjust staffing to service levels in Bone Mineral Density to reflect current workload and activity; no impact on patient access or wait times
- Change in cafeteria hours to better match demand and reduce staffing requirements
- Reduction in Materials Management hours
- Changes to Renal program, including change from 3:1 to 4:1 nurse to patient ratio, to ensure program remains balanced



Recovery Plan Strategies: HSFR Performance Funding

- HSFR performance revenue exceeds anticipated amount per 2013/2014 Operating Plan:

	Per Preliminary NHH Impact Analysis	Per NHH 2013/2014 Operating Plan	Net Additional Performance Revenue
Post-mitigated HBAM funding	\$338,813	\$330,100	\$ 8,713
Post-mitigated QBP funding	\$183,598	NIL	\$183,598
Total HSFR funding	\$522,411	\$330,100	\$192,311

- Assumption: given NHH’s past performance and demonstrated efficiency, it is reasonable to estimate similar results for fiscal 2014/2015 and 2015/2016

Recovery Plan Strategies: Restructuring Payback

- Net Restructuring Costs of \$437,778 accrued in 2012/2013 have estimated 2-year payback
 - Net estimated annual savings from mitigation strategies is \$295,000
 - Due to required bargaining unit notice periods, will only achieve \$200,000 savings in fiscal 2013/2014 (included in balanced budget)
 - Therefore \$95,000 incremental savings in 2014/2015 and 2015/2016

Recovery Plan Strategies: Integration Savings

- Actively participating in Northumberland Integration facilitated by Central East LHIN
 - Design and implement a **cluster-based** service delivery model for Community Support Service and Community Health Centre agencies by 2015 through integration of front-line services, back office functions, leadership and/or governance to:
 - improve client access to high-quality services,
 - create readiness for future health system transformation and,
 - make the best use of the public's investment
 - Form of integration yet to be determined; therefore too early to predict savings
 - Savings achieved may be used to offset other recovery plan strategies after restructuring costs recovered

Recovery Plan Strategies: Savings Sufficient to Recover \$752,955 Deficit

	Fiscal 2013/2014	Fiscal 2014/2015	Fiscal 2015/2016	Total
HSFR Performance Funding	\$192,300	\$192,300	\$192,300	\$576,900
Restructuring Payback	Part of balanced budget	\$ 95,000	\$ 95,000	\$190,000
Integration Savings	TBD	TBD	TBD	TBD
Cumulative Impact	\$192,300	\$287,300	\$287,300	\$766,900

NHH and the Future

Volume and Acuity Pressures

- Two-year trend of increased volumes and acuity which continues in 2013/2014
- This trend will continue to place financial pressures on NHH as it strives to meet the acute care needs of west Northumberland
- NHH is committed to being an active acute care hospital working within a larger acute care system

Sustainability of Acute Care Services

- NHH is a medium-sized hospital serving one of the oldest populations in Ontario
- Single acute care hospital serving catchment; 45-minute drive away to other larger urban centres
- Given previous service realignments / closures, what is left at NHH are essential, core acute care services
- Closure (or significant reduction) of one core acute care program will have a negative impact on other acute care services
 - Interdependencies of the programs for health human resources and supports, including physicians
 - “Domino” impact would likely destabilize the hospital
 - **Not a viable option**

System Transformation



Northumberland

PATH

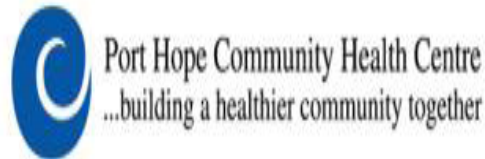
**Partners Advancing
Transitions in Healthcare**
A first with Ontario patients

Northumberland Integration

- The Board of Directors of Northumberland Hills Hospital will:
 - Protect and enhance local access to essential acute care services in Northumberland;
 - Explore the creation of an integrated health care model that is geographically aligned to the community of Northumberland, and includes hospitals, community agencies and primary care;
 - Remove self-interest in order to create a new governance structure to support the integrated model;
 - Advocate for funding to sustain local health services during the transformation period;
 - Complete a thorough due diligence process with our health services partners and the Central East LHIN to ensure the objectives are attainable; and
 - Engage our community throughout the process to ensure the best possible decisions are made and public trust in our hospital continues to grow.

Northumberland Integration

- Community Care Northumberland
- Branch 133 Legion Village Inc.
- Campbellford Memorial Multicare Lodge
- Port Hope Community Health Centre
- Victorian Order of Nurses, Ontario Branch
- Campbellford Memorial Hospital
- Northumberland Hills Hospital



HEALTH STARTS AT HOME

Questions?