Central East CCAC

Financial Recovery Plan Update

September 22, 2010

Our Vision: *Outstanding care - every person, every day*

Central East CCAC

- Provides information, direct access to qualified care providers and many comprehensive Health Related services to help people come home from the hospital sooner or live independently at home longer
- Is one of 14 CCACs in Ontario, formally established on January 1, 2007, the result of the alignment of the following predecessor CCACs: Durham Access To Care, Haliburton, Northumberland and Victoria Access Centre, Peterborough Community Access Centre, and Scarborough Community Care Access Centre
- Is the sixth largest CCAC based on geography covering approximately 16,673 square kilometers
- Is the second largest CCAC based on population, serving approximately 1.5 million people
- Has seven branches: Campbellford, Haliburton, Lindsay, Port Hope, Peterborough, Scarborough, and Whitby as well as staff members located in a number of satellite offices in hospitals, family health teams, physician offices and long-term care centre's
- Works with nine hospital corporations operating 15 sites as well as 68 LTC Homes operating approximately 10,000 beds
- Is the second largest CCAC based on budget with an annual budget of over $207 million for the 2010-2011 fiscal year (72 % clinical service, 19 % case management, 5 % general admin., 2% IT, and 1.5 % plant operations)
- During fiscal year 2009/10 served 70,000 unique clients; handled 15,000 calls through the information and referral lines; assessed 14,000 clients for LTC and facilitated placement for 2,700 clients to LTC; provided 725,000 nursing visits, 190,000 hours of shift nursing, 65,000 occupational therapy visits, 50,000 physiotherapy visits, 18,000 speech language pathology visits, 2,300,000 hours of personal support; overall provided 3,400,000 units of in-home service.

Context

- The Central East CCAC (CECCAC) must be in a balanced position by March 31, 2011
- The CECCAC began to experience a deficit position in fiscal 2008/09 based on a growing number of clients presenting with increasingly complex needs and immediately initiated cost containment initiatives that in past experience had achieved required savings
- Despite these cost containment initiatives the CECCAC ended fiscal 2008/09 with a deficit of $10M
- Recognizing the usual cost containment initiatives were not achieving the anticipated results and knowing the deficit was continuing to grow, the CECCAC Board of Directors, on the recommendation of the Senior Team, approved at the end of Q1 2009/10 the initiation of a Cost Containment Value for Money Review conducted by nD Insight, designed to assess the changing environment, review the cost containment strategies taken to date, identify opportunities to improve effectiveness and efficiency, quantify the proposed opportunities and propose a strategy and timeline for implementation
- The final report of nD Insight, which was received October 2009, contained proposals which were developed and implemented by January 2010 and coupled with the cost containment strategies that were already in place, the spending curve began to turn
- At March 31, 2010 the CECCAC had a cumulative deficit of $14.2M.

The Balanced Budget Formula

- There are three contributing factors involved in achieving a balanced budget for the CECCAC:
  1. **Volume:** the number of clients, their particular clinical need profile, and their length of stay on service
  2. **Rate:** the cost per client (allocation and price of services), the cost of case management and the cost of administrative supports
  3. **Funding:** financial resources

The Balanced Budget Challenge

- The first priority was to "Hold Spending to Budget Allocation" which in practical terms necessitated bringing the monthly overspend of $1.1M down to budget allocation, resulting in an annual impact of $13M (the overspend)
- The second priority was to recover the cumulative deficit by leveraging leading practice and standardizing service approaches, resulting in an annual impact of $14.2M. (the deficit)
- Therefore, the cumulative budget challenge was to reduce the rate of spending to recover $27.2M by March 31, 2011.

Cost Containment Strategy Overview

Stop Overspending

Eliminate the accumulated deficit

Hold Spending to Budget Allocations

- Implement an Outcome-based Resource Allocation Model (OBRAM)
- Align CECCAC Waitlist Management
- Standardize Intake Control Measures

Standardize Service Allocations

- Optimize Service Allocations
- Enhance Alternate Care Setting Utilization
- Implement Best Practice Wound Care Program
- Standardize Personal Support

Ensure Organizational Clarity

- Leverage VoIP Technology
- Optimize Organizational Structure and Effectiveness
- Improve Organizational Efficiency
- Review and Standardize Recruitment Processes
- Implement and Integrate a Human Resources Information system
- Manage Communication and Change Management Strategy

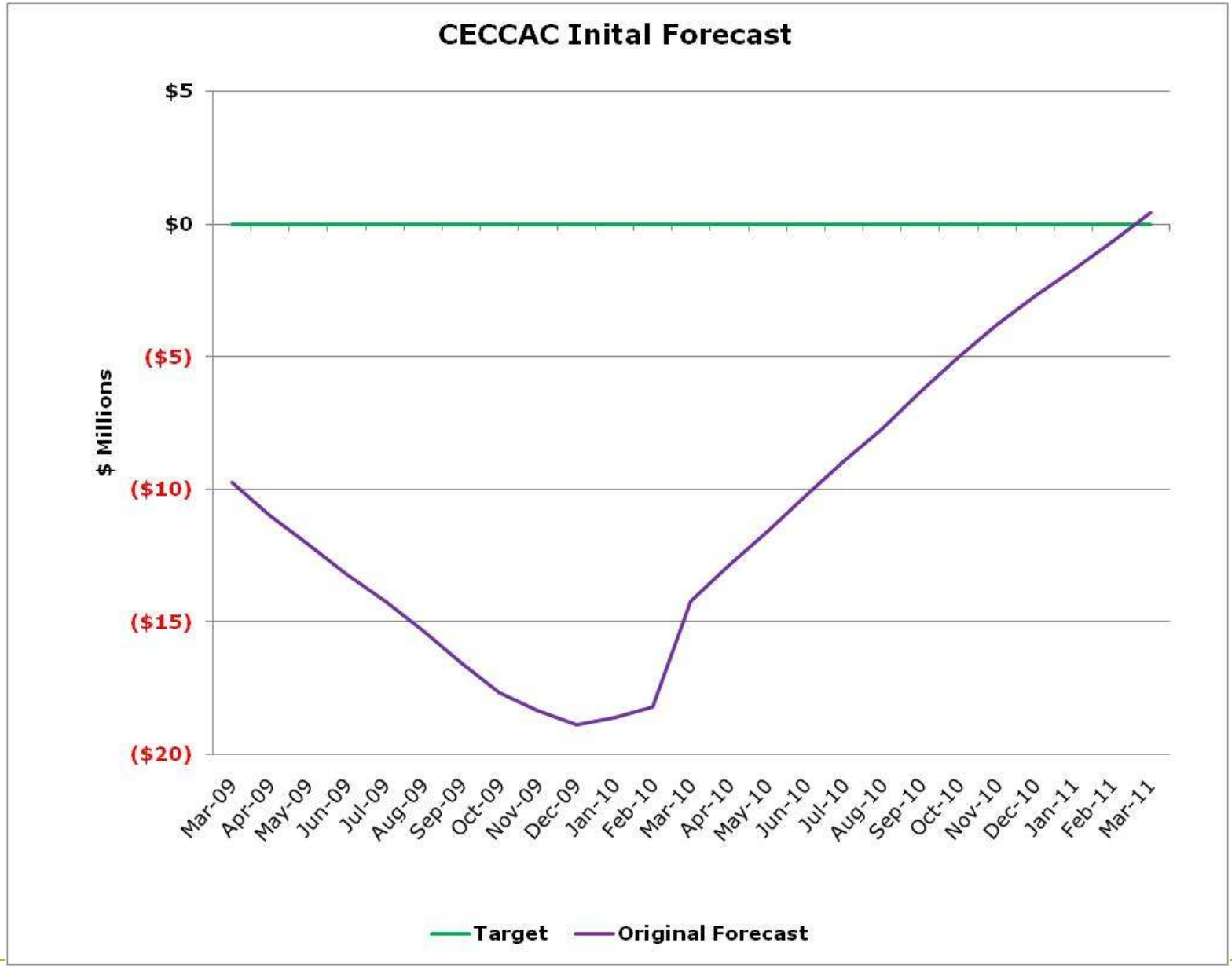
Strengthen Stewardship & Relationships

- Standardize a Single Set of Policies and Procedures
- Implement Attendance Management Program
- Optimize Service Provider Service Management
- Review Medical Supplies Delivery Model

Initial Balanced Budget Forecast

The CECCAC finalized an initial 2010/11 budget forecast in February 2010 which took into account the savings beginning to materialize as a result of the early stages of implementation of cost containment projects during Q2 – Q4 of 2009/10 and the input of the nD Insight report based on the following assumptions:

- 0% Inflationary increase to base funding in 2010/11
- No confirmation of one-time hip & knee funding ($2M) in 2010/11
- No confirmation of any other base or one-time funding adjustment such as Aging at Home, Pay for Results, etc.
- The need to aggressively continue cost containment strategies.


CECCAC Inital Forecast
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Target
Original Forecast

Initial Balanced Budget Cost Containment Strategies

STRATEGY	STATUS	IMPACT
Implement Outcome Based Resource Allocation Model (OBRAM)	OBRAM was **implemented** across the CECCAC by January 2010.	The implementation of OBRAM provides all case managers who allocate resources to clients a weekly and monthly service allocation which is updated twice a week to allow them to track their service utilization. Utilization reports are reviewed weekly by Senior Management to monitor progress and adjusted as needed
Implement Best Practice Wound Care Program	The CECCAC began to pilot a best practice wound care protocol in May 2009 in one branch and moved to a second branch in July 2009. Based on the results of that pilot, between November 2009 and May 31, 2010 the best practice wound care protocol was **fully rolled out** to all branches of the CECCAC.	The major impact of the protocol is the application of advanced wound care products which results in improved wound healing, better client outcomes and satisfaction, and reduced nursing visits to treat wounds. From January 2010 to the end of August 2010 there has been a reduction in the number of nursing visits of 13,980 visits/month, realizing a monthly savings of $810,000, or an annualized savings of $10M. These savings have been factored in the OBRAM allocations.

STRATEGY	STATUS	IMPACT
Standardize Intake Control Measures	Fully **implemented** the referral of clients requiring 2 hours or less of personal support care per week to community support agencies. The criteria for initial allocation of medical supplies provided to new clients was revised and **implemented.** The proposal to restrict home based IV to all but palliative and homebound clients was **not implemented**.	Lower need clients are referred to community agencies and not admitted to CECCAC for service. This results in reduced wastage of supplies. The proposed discontinuation of in-home IV therapy would have meant that a large volume of IV therapy that was being done in client's homes would be shifted to the acute care environment, most probably in the emergency rooms or areas adjacent to them. Upon discussion with the acute care CEO Council, it was agreed the CECCAC would not implement this strategy and would conduct a review designed to explore other innovative models of offering IV therapy. Annualized, the impact to the CECCAC of not implementing this strategy was $5M with a realization this shortfall would need to be found elsewhere. The report of the IV therapy review will be shared with the LHIN and acute sector CEOs October 2010.

STRATEGY	STATUS	IMPACT
Align CECCAC Waitlist Management	Waitlist criteria was adjusted and **implemented** in December 2009 to include in-home therapy services for high, moderate and low priority rated clients. The existing personal support waitlist criteria already waitlisted all clients except very high priority rated clients from hospital.	The major impact for this initiative is seen in the reduction of personal support hours and therapy visits. From January 2010 to the end of August 2010 PSW hours reduced 20,400 hours/month realizing a monthly savings of $583,000 or an annualized savings of $7M. Over the same timeframe, therapy visits reduced 3,590/month realizing a monthly savings of $409,000 or an annualized savings of $4.9M. These savings have been factored into OBRAM allocations. The number of clients on the waitlist is growing and as of September there are 1,433 clients waiting for personal support.
Standardize Personal Support	Standardized personal support allocation across the CECCAC has been **implemented.**	This strategy facilitates the savings seen through the OBRAM Implementation.
Optimize Service Allocations	Developed and **implemented** consistent best practice service planning guidelines for Occupational Therapy (OT), Physiotherapy (PT), Social Worker (SW), Speech Language Pathology (SLP) and Dietetics.	This strategy facilitates the savings seen through the OBRAM Implementation.

STRATEGY	STATUS	IMPACT
Restrict In Home Lab Service to Homebound Clients Only	Ambulatory clients are now referred to community based outpatient labs and thus **implemented**.	Since June lab visits have been reduced from 1570 to 400 visits/month saving approximately $25,500/month or $300,000 annualized. These savings have been factored into OBRAM allocations.
Enhance Alternate Care Setting Utilization	By May 2010 the criteria for those referred for service at the ACS was revised and **implemented**. A second treatment room at the Oshawa ACS is opening. Two more ACS sites are planned, one for Lindsay and one for Scarborough in 2011/12.	Increasing numbers of clients are being referred which provides efficiency of nursing hours expenditures.
Reduce Number of Single Nursing Visits Post Surgery	**Yet to be implemented.**	Clients will be referred to originating physician for follow-up or self taught in hospital prior to discharge. This will reduce the number of single visit home nursing services required and will be consistent with practice in other parts of CECCAC and across other CCACs in the Province.

OBRAM Analysis

Period 2 (28-Dec-2009 to 24-Jan-2010)

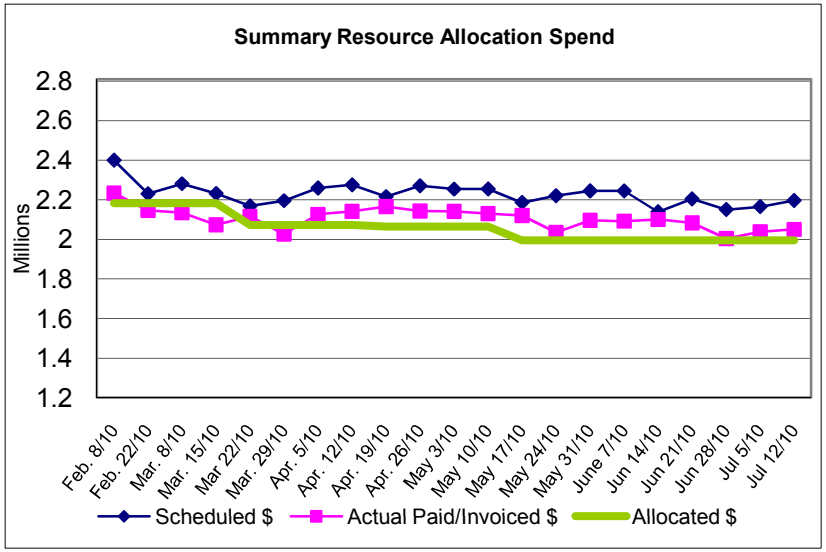
	Allocation	Calendar	Billings
Week 1 (28-Dec-2009)	$2,182,309	$2,440,562	$2,071,503
Week 2 (04-Jan-2010)	$2,182,309	$2,597,168	$2,345,694
Week 3 (11-Jan-2010)	$2,182,309	$2,623,956	$2,383,305
Week 4 (18-Jan-2010)	$2,182,309	$2,595,883	$2,369,044
Period 2 (28-Dec-2009 to 24-Jan-2010)	**$8,729,237**	**$10,257,570**	**$9,169,546**

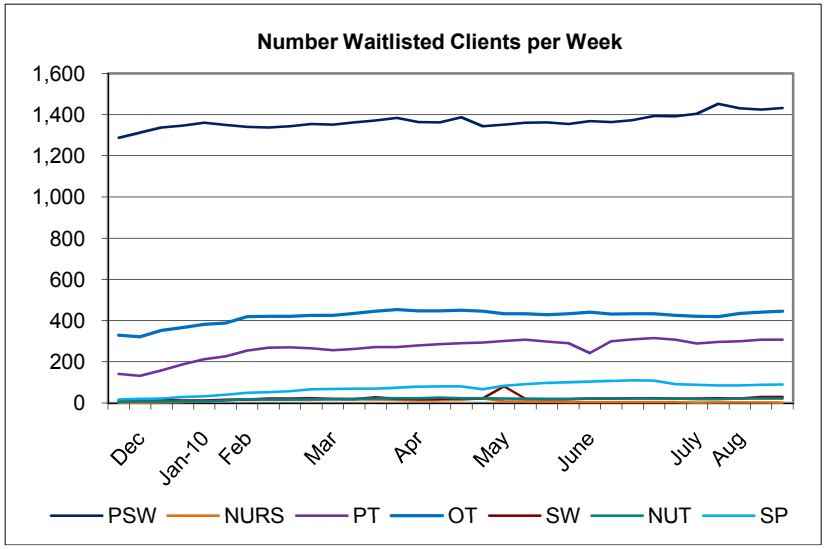
Period 9 (12-Jul-2010 to 08-Aug-2010)

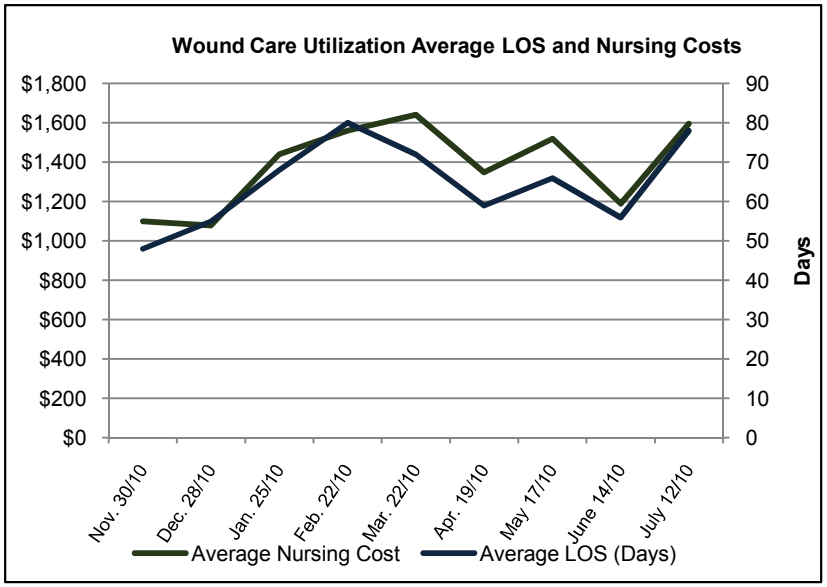
	Allocation	Calendar	Billings
Week 1 (12-Jul-2010)	$1,995,536	$2,107,892	$2,058,587
Week 2 (19-Jul-2010	$1,995,536	$2, 193,085	$2,066,167
Week 3 (26-Jul-2010)	$1,995,536	$2,180,805	$2,048,523
Week 4 (02-Aug-2010)	$1,995,536	$2,143,149	$1,967,636
Period 9 (12-Jul-2010 to 08-Aug-2010)	**$7,982,144**	**$8,624,931**	**$8,140,912**
Savings From Period 2 to Period 9	**$747,093**	**$1,632,639**	**$1,028,634**

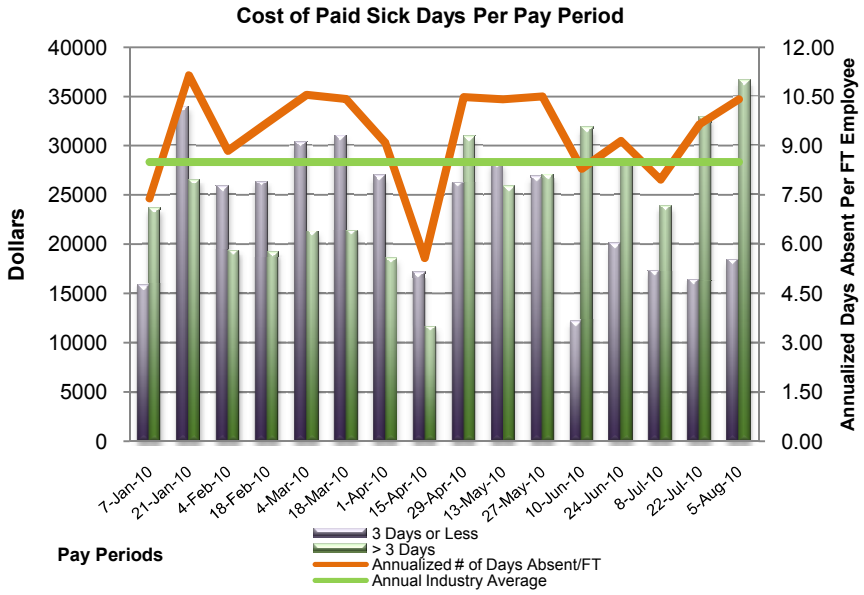
Proposed Savings 2010/11 $9,000,000

Weekly Cost Containment Tracking Report







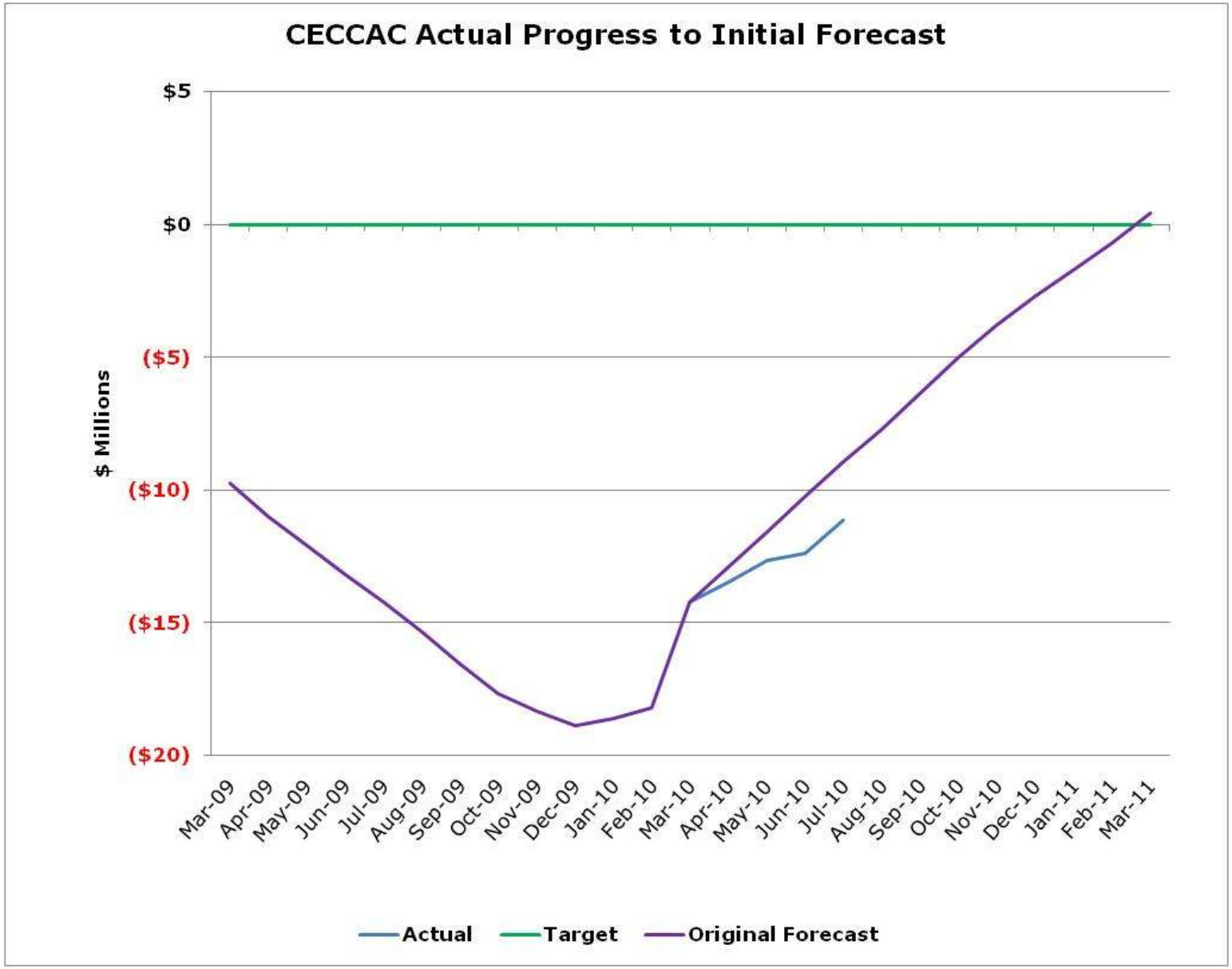


4. Actual Progress to Initial Balanced Budget Forecast April 1, 2010 – July 31, 2010

The recovery anticipated in the initial Balanced Budget forecast was not achieved.

While actual results were a surplus at July 31, 2010 of $3.1M, they were against a projected surplus of $5.2M.

Actual April 1- July 31 + $3,051,404	Initial Forecast April 1 – July 31 + $5,249,675	Variance Actual to Initial Forecast ($2,198,271)


CECCAC Actual Progress to Initial Forecast
$5
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Actual
Target
Original Forecast

Actual Progress to Initial Balanced Budget Forecast
April 1, 2010 – July 31, 2010 continued..

Based on an analysis of Q1 results, the following was observed:

- The decision to not implement the home-based IV clients reduction altered projected savings by approximately $450,000 per month or $5M per year

- The early volume reductions experienced during January – March 2010 reflected standardization of service primarily impacting the short-term client populations with far less impact being achieved from longer-term client populations; having achieved the January - March volume reduction and stabilized at this level, the on going rate of reductions is now greatly reduced; to reduce/modify longer-term clients is only able to be accomplished based on an assessed change in their care needs; newly implemented intake control measures will manage the volume of service for longer-term clients over time

- The wound care protocol was only fully rolled out to all branches and service providers by May 2010; it will continue to provide savings.

Actual Progress to Initial Balanced Budget Forecast
April 1, 2010 – July 31, 2010 continued..

June 2010 Results

The results for June 2010 were dramatically less than forecast based on 3 factors:

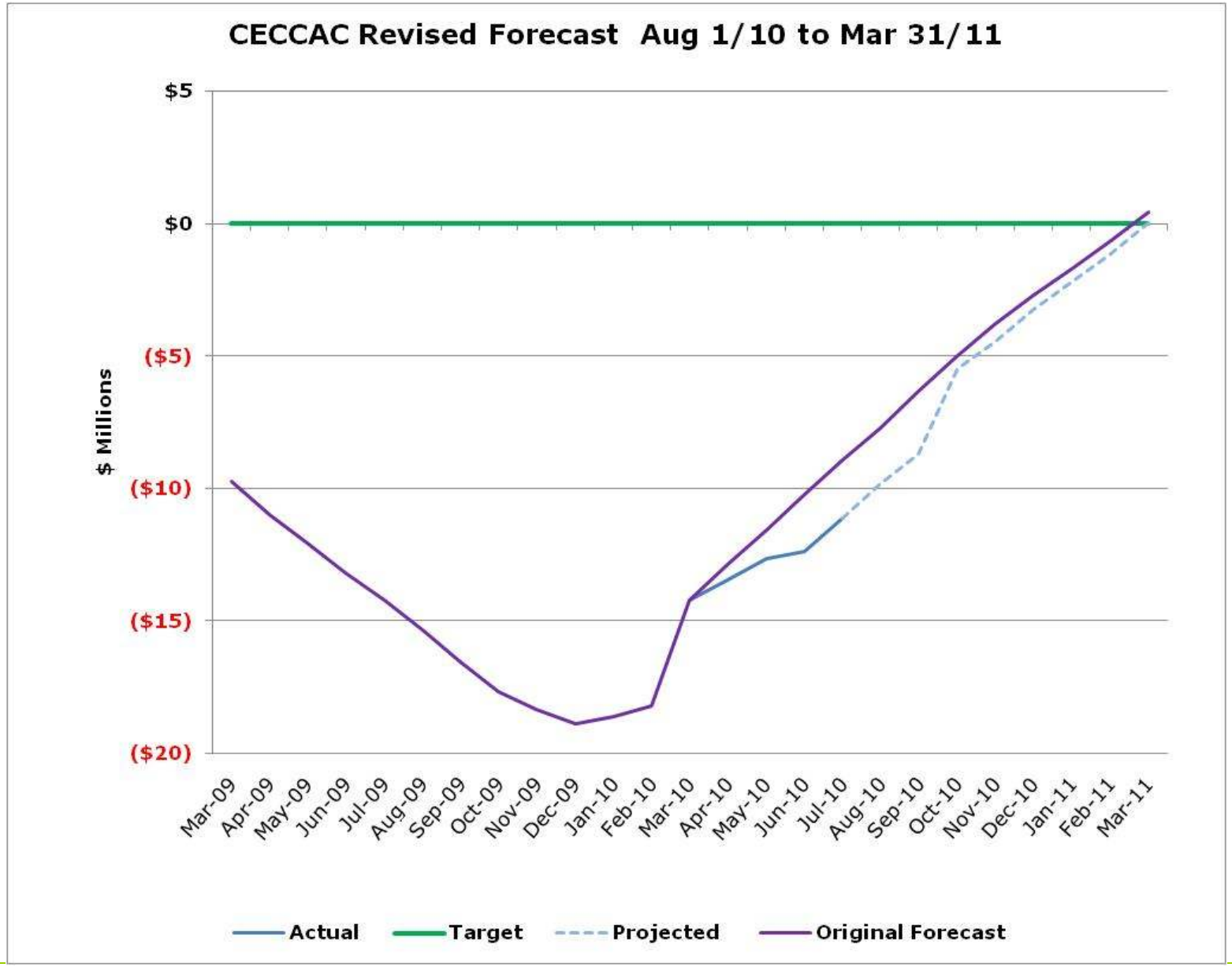
- Contracted Out Services – In the initial budget forecast an anticipated $480,000 reduction in contracted services was planned assuming the Q1 savings would continue as the Q4 2009/10 were tracking, the change to home-based IV would be in place and best practice wound care implementation would be further along
- Salaries and Wages – a $183,000 one-time salary expense occurred
- Medical Supplies – medical supplies were $95,000 over budget primarily reflecting the best practice wound care protocol implementation which uses more expensive product, although over time uses less.

Revised Balanced Budget Forecast
August 1, 2010 – March 31, 2011

Upon review of the results of the first quarter a revised balanced budget forecast was developed based on the following assumptions:

- Hip & Knee one-time funding adjustment is expected to be announced by MOHLTC ($2M) as in previous years to support already announced Hip & Knee funding within acute sector *****
- $3M stabilization funding to base to continue support for client care
- The trajectory of savings experienced in Q1 2010/2011 will continue through Q2-Q4
- The School Health Support Services Program (SHSS) will be maintained at the 2009-2010 expenditure rate
- Efficiencies and savings will be found in the Human Resources area
- Continued attention to the best practice wound care protocol will realize further savings.
- The Year 3 one-time Aging at Home Funding ($2.4M) will be directed to the provision of services for 335 clients on the waitlist for enhanced personal support with ALC high risk scores, 30 clients on waitlist for personal support services with ALC high risk scores, and 28 new client referrals from community with ALC high risk scores
- The home care services maximum base funding ($4M) will be directed to supporting the Home First initiatives across the CE LHIN acute care hospitals

****** Should Hip & Knee one-time funding not be announced by MOHLTC the CECCAC will review this with the CE LHIN to explore further contingency strategies to address the $2M shortfall***


CECCAC Revised Forecast Aug 1/10 to Mar 31/11
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Forecast Balanced Budget Position at March 31, 2011		
Anticipated Revenue and Confirmed Savings		
Cumulative deficit position at March 31, 2010	($14.2M)	
Yet to be announced Hip & Knee Funding	$2.0M	Should this not be announced the CECCAC will establish further contingency strategies with the CE LHIN.
Base adjustment (stabilization)	$3.0M	
YTD savings (April-July inclusive)	$3.1M	As per July 2010 Operating Statement.
Savings in School program in August	$0.6M	The summer hiatus for the school program was not prorated in the budget forecast.
Contracted Out Client Services ongoing savings (August 2010 to March 31, 2011).	$3.2M	Based on average of 4 weeks June 28th to July 19th OBRAM spend with **no further reductions** to March 31, 2011.
Sub-total	($2.3M)	

Forecast Balanced Budget Position at March 31, 2011		
New/Ongoing Initiatives		
HR Strategy	$0.4 M	Current hiring freeze on admin positions. Working with *n*D Insight to develop efficiency strategies within the salary/benefits budget line with implementation of the strategies to begin no later than October 1, 2010.
Achieve OBRAM weekly allocation of $1,995,000 by December 3/10 through savings related to wound care and case management.	$1.5M	Reduce weekly allocation by $4,000 per week for 17 weeks from August 9th to December 3rd, then hold to allocation to March 31/11.
Hold School program to 09-10 expenditure levels for period of September 2010 to March 2011.	$0.6M	Manage through referrals to the school program.
Medical Equipment	$0.1 M	Chemo pump savings. Continued savings related to therapy waitlist.
Medical supplies	($0.2M)	Standardize Ostomy supplies. Attention to wound supplies. Reduce special orders.
All other budget lines (Supplies & Other, Office Equipment, Contracted Out – Other, Building Occupancy, Fixed Assets)	$0.0M	Assume net balance. Current forecast shows a small positive variance.
Year End Position	**$0.1K**	Should a surplus situation be projected during the last quarter of fiscal 2010/11, the CECCAC will review possible application opportunities for this surplus with the CE LHIN.