



SOUTH BRUCE GREY HEALTH CENTRE

CHESLEY | DURHAM | KINCARDINE | WALKERTON

BUDGET RECOVERY ACTION PLAN

JANUARY 22, 2019

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BACKGROUND

South Bruce Grey Health Centre (SBGHC) is forecasting a \$1.9M deficit (after building amortization) at fiscal year-end. Our expenses continue to exceed our revenue, and immediate action is required to return our organization to a balanced financial position.

SBGHC's Board of Directors has endorsed this Budget Recovery Action Plan, which was prepared by the Senior Leadership Team in consultation with the SBGHC Medical Advisory Committee. The Action plan includes short, medium and longer-term strategies to bring our expenses to the appropriate level in order to operate within the revenue we receive.

The guiding principle behind all of the strategies in the Action Plan is to maintain high quality patient care and ensure that we continue to have four strong, viable hospital sites. The strategies are intended to create efficiencies that will have minimal impact on patients and staff, and in many cases, these opportunities should have been explored regardless of our financial position.

Some of the cost pressures facing SBGHC include:

- The hospital is often the place of last resort. On average every day, SBGHC is caring for eight patients that have completed their acute stay and are waiting for their next destination, whether it be home or long-term care. As well, mental health patients often wait in our sites for a bed at a schedule 1 acute hospital;
- SBGHC still provides a considerable amount of outpatient work that the hospital is not funded for, and should be completed outside of the hospital in a community setting;
- Our patients are staying considerably longer in our hospital than the provincial average for the top typical diagnoses. If SBGHC moved halfway to the average provincial length-of-stay (LOS), SBGHC would require 3 less beds in Kincardine and 3 less beds in Walkerton;
- SBGHC hospitals are only staffed to 60% of our reported bed numbers which gives the impression to our staff, public and our partners that we are operating more beds than what we actually do;

QUALITY HEALTH CARE – CLOSE TO HOME

- We are a small hospital operating a very successful Family Birthing Centre which by its nature is more costly to operate;
- Management oversight after hours in small multi-sited hospitals is limited;
- Our non-urgent transportation costs have grown from \$50K to \$450K in the last five years;
- Our security costs have grown from \$5K to \$130K in the last 3 years.

BUDGET RECOVERY ACTION PLAN

DIVERSION OF OUTPATIENT LABORATORY TESTING	
PLAN	<ul style="list-style-type: none"> Community outpatient laboratory testing will be moved from SBGHC to a private community laboratory. SBGHC is not funded to provide community outpatient lab testing, yet we have continued to provide this service for many years. Private community laboratories are funded by the Ministry of Health and Long-Term Care to provide community outpatient lab testing. Specimen collection for community outpatients will continue within the hospital or medical clinic at each of SBGHC's sites, by SBGHC staff, in conjunction with the private community laboratory. Inpatient and the Emergency Department laboratory services will remain in Durham, Kincardine and Walkerton, and point of care testing will be maintained at the Chesley site.
DESCRIPTION	<ul style="list-style-type: none"> Across SBGHC's four sites, 70% of the testing completed in our laboratories are community outpatient tests, while the remaining 30% of laboratory tests performed at SBGHC are for inpatients and the Emergency Department (ED). This strategy will reduce supply costs and allow us to maintain our staff and our inpatient/ED lab testing. Specimen collection for community outpatients will continue within the community in conjunction with a private community laboratory utilizing current SBGHC staff, making it seamless for patients. Specimen collection at local long-term care facilities previously completed by SBGHC staff will also be assumed by a private community laboratory. Details of implementation are being finalized, and implementation dates will vary between sites. Changes will be communicated broadly with staff and patients prior to implementation. SBGHC is one of very few hospitals in the province that still provides community outpatient laboratory services.
IMPACT – PATIENTS	<ul style="list-style-type: none"> No impact for patients. Community outpatient laboratory collections will continue to be available for patients in each of our communities at either the hospital or medical clinics at SBGHC sites. Patients will also benefit from being able to access their own lab results electronically.
IMPACT – STAFF	<ul style="list-style-type: none"> No impact on staffing. Specimen collection for community outpatients will continue within the hospital or medical clinic at each of SBGHC's sites, by SBGHC staff.

QUALITY HEALTH CARE – CLOSE TO HOME

ANNUALIZED SAVINGS	\$245,000
PROJECTED IMPLEMENTATION DATE	February 11 to April 1, 2019

DIVERSION OF MICROBIOLOGY TESTING	
PLAN	<ul style="list-style-type: none"> Microbiology testing will be moved to an external provider. Microbiology specimen collection for outpatients will continue within the hospital or medical clinic at each of SBGHC's sites, by SBGHC staff.
DESCRIPTION	<ul style="list-style-type: none"> Across SBGHC's four sites, 80% of the Microbiology tests completed in our Walkerton site laboratory are outpatient tests that SBGHC is not funded for (cost for supplies and staffing comes out of our global budget). The cost of in-house microbiology testing is approximately \$20.00/test, compared to approximately \$12.00/test from an external provider. Our microbiology equipment has reached end of life and would require capital expenditure to update. Outsourcing tests to an external provider would save supply costs and licenses/service costs related to equipment. SBGHC is currently evaluating which external provider to utilize for this service. SBGHC will expect the same or better quality and turn-around times from the successful external provider.
IMPACT – PATIENTS	<ul style="list-style-type: none"> Patient care will have similar or improved quality and turnaround times for all microbiology testing from the new provider.
IMPACT – STAFF	<ul style="list-style-type: none"> Redeployment of microbiology staff within SBGHC.
ANNUALIZED SAVINGS	\$155,000
PROJECTED IMPLEMENTATION DATE	April 1, 2019

OUTSOURCING TRANSCRIPTION SERVICES	
PLAN	<ul style="list-style-type: none"> • SBGHC will be contracting to an external company for transcription services.
DESCRIPTION	<ul style="list-style-type: none"> • Our current transcription software has reached end of life. • We have recently experienced difficulty recruiting staff in this area, and transcription volumes are increasing. • Transitioning to an external transcription service will improve reporting turnaround times significantly, to a guaranteed 24 hours for non-urgent reporting, and 2 hours for stat reporting. • Moving forward, transition to voice recognition software will ensure additional savings and future strategies will be implemented to accomplish this.
IMPACT – PATIENTS	<ul style="list-style-type: none"> • Improved turnaround for records (24 hours for non-urgent and 2 hours for stat dictation).
IMPACT – STAFF	<ul style="list-style-type: none"> • Transcription staff will be redeployed within the hospital to perform responsibilities relating to patient movement and flow and short notice staffing (fielding and replacing sick calls and up-staffing).
ANNUALIZED SAVINGS	\$36,000
PROJECTED IMPLEMENTATION DATE	April 1, 2019

SENIORS' CENTRE OF CARE	
PLAN	<ul style="list-style-type: none"> • SBGHC will designate a 10-bed unit at SBGHC's Chesley site as a Seniors' Centre of Care. • The Seniors' Centre of Care will provide those patients awaiting discharge in an acute care setting for an extended period of time with additional activation, congregate dining and physiotherapy. • The creation of the Seniors' Centre of Care will allow the other three sites of SBGHC to focus on acute patients. • As part of this strategy, SBGHC will also ensure that each of our four sites is operating at the appropriate level of beds to meet the needs of each community.
DESCRIPTION	<ul style="list-style-type: none"> • In recent months, we have seen higher than normal volumes of ALC patients (patients waiting for placement in long-term care) in all of our sites. • The increased volumes have made staffing a challenge, driving up over-time and other associated costs. • In addition to increased ALC volumes, the top diagnosis for patients admitted to our four sites is rehabilitation/convalence. • Patients waiting in an acute care setting for placement in long-term care home can be subject to significant functional decline, due to limited mobility, physiotherapy, socialization and other activities. • SBGHC's Chesley site is home to our Restorative Care Unit, focused on helping patients regain their independence after the acute phase of an illness, making it a much more appropriate environment for patients awaiting placement in long-term care. • Bringing ALC patients together at the Chesley site would create staffing efficiencies, and improve the patient experience.
IMPACT – PATIENTS	<ul style="list-style-type: none"> • Improved patient experience. • Decreased potential of functional decline for patients due to availability of physiotherapy and occupational therapy services, and socialization through communal dining and activities. • Families may have farther to travel to access the care provided in the Seniors' Centre of Care.
IMPACT – ORGANIZATIONAL	<p>BED UTILIZATION</p> <ul style="list-style-type: none"> • On average, we have eight ALC patients occupying Acute Care beds across our sites each day. Transitioning these patients to the Seniors' Centre of Care will reduce our patient numbers in Durham, Kincardine and Walkerton, and allow for more efficient and consistent staffing/scheduling. • Our current length of stay (LOS) exceeds the provincial average. In some cases, the LOS is up to 38% higher than the provincial average across our sites. SBGHC will continue to work closely with our physicians to ensure an appropriate length of stay for our patients.

QUALITY HEALTH CARE – CLOSE TO HOME

	<ul style="list-style-type: none"> Increased focus will be placed on Patient Movement and Flow, length of stay, and avoidable days to maximize bed utilization. In order to maximize bed utilization and staffing efficiencies, SBGHC will operate the number of beds that reflect our average occupancy and staffing levels, with 8 acute/10 Seniors' Care beds in Chesley, 10 acute beds in Durham, 17 acute beds in Kincardine, and 15 acute/6 obstetric beds in Walkerton. A short stay unit in the Kincardine ER will be implemented for patients that require observation for less than 24 hours. A surge protocol will be implemented to address those times when patient needs exceed available resources, ensuring a site can bring in additional staff as needed. <p>SCU BEDS</p> <ul style="list-style-type: none"> Three Special Care Unit (SCU) beds in Kincardine and two in Walkerton will be integrated into the acute bed complement. The SCU beds are currently staffed at a lower nurse to patient ratio than a regular acute bed. Over the last three years, the SCUs at Kincardine and Walkerton have operated at 30-55% capacity. Many of the patients that are admitted to the SCU could be cared for within our acute bed complement. If an increased level of care is required, we have the ability to reassign the duties of a charge nurse to provide this care. Patients will continue to receive the high quality care that they expect from SBGHC.
IMPACT – STAFF	<ul style="list-style-type: none"> With the implementation of the Seniors' Care Centre and improved bed utilization management, some existing vacancies will remain unfilled. PSW staff will be consolidated at the Chesley site to support the Seniors' Care Centre. We are working with OPSEU to explore options outlined in the Collective Agreement to minimize any layoffs (early retirement, voluntary exit, bumping). We anticipate that 3-5 positions in the OPSEU Service Bargaining Unit will be impacted. Across all sites, part time RN and RPN hours will be more closely aligned with part time commitments.
ANNUALIZED SAVINGS	\$280,000
PROJECTED IMPLEMENTATION DATE	April 1, 2019

QUALITY HEALTH CARE – CLOSE TO HOME

NON-UNION REDUCTIONS	
PLAN	<ul style="list-style-type: none"> Some identified non-union positions will be eliminated. Responsibilities will be reassigned within the organization.
IMPACT – PATIENTS	<ul style="list-style-type: none"> No impact on patient care.
IMPACT – ORGANIZATIONAL	<ul style="list-style-type: none"> There will be one-time costs associated with the terminations.
ANNUALIZED SAVINGS	Approximately \$120,000
IMPLEMENTATION DATE	January 22, 2018

EXPLORING OPTIONS FOR NON URGENT PATIENT TRANSPORTATION	
PLAN	<ul style="list-style-type: none"> SBGHC to create its own Non-Urgent Patient Transfer Service.
DESCRIPTION	<ul style="list-style-type: none"> There has been a significant increase in the cost of non-urgent patient transfers through our external provider. In the first two quarters of 2018, we have reached 83% of the total cost of services provided in 2017. 44% of calls for non-urgent transportation are internal (site to site). 40% of internal calls are for CT Legal analysis underway to determine impact of contract provisions with the current provider.
IMPACT – PATIENTS	<ul style="list-style-type: none"> Improved patient experience through decreased wait times on transfer services and reliability.
IMPACT – STAFF	<ul style="list-style-type: none"> Patients requiring medical staff accompaniment should be sent with EMS, allowing SBGHC Staff to focus on their core duties and not travelling in an ambulance. Additional staff required dependent on service level provided. To transfer all non-urgent patients, 4 FTE and 0.2 PT dispatch would be required. To transfer non-urgent patients within SBGHC sites only, 2 FTE and 0.2 PT dispatch would be required.
ANNUALIZED SAVINGS	\$229,000
PROJECTED IMPLEMENTATION DATE	Further investigation continues with desired implementation in next few months.

QUALITY HEALTH CARE – CLOSE TO HOME

SUMMARY OF COST SAVINGS

STRATEGY	ANNUALIZED COST SAVINGS
Diversion of Outpatient Lab Testing	\$245,000
Diversion of Microbiology Testing	\$155,000
Outsourcing Transcription Services	\$36,000
Seniors' Centre of Care	\$280,000
Non-Union Reductions	\$120,000
Exploring Options for Non-Urgent Patient Transportation	\$229,000
TOTAL COST SAVINGS	\$1,065,000