



Strengthening the Surgical Program at Grey Bruce Health Services

March 2017

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GBHS – Seven Sites



Lion's Head



Meaford



Owen Sound



Markdale



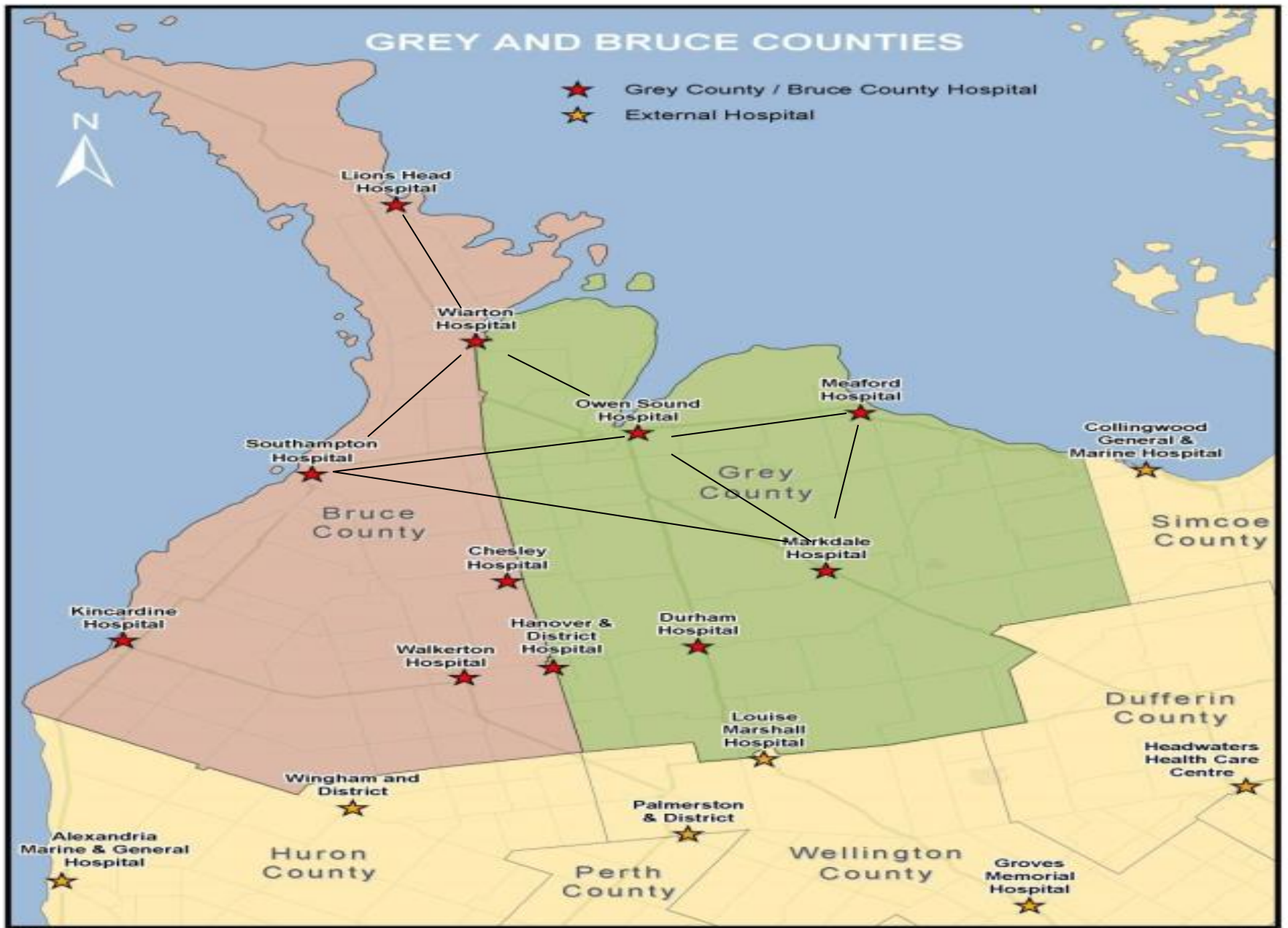
Warton



Southampton

Withdrawal
Management
Services





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GBHS by the Numbers

- 1,630 employees
- 250 physicians credentialed
- 1,100 volunteers
- Six hospitals, Withdrawal Management Centre
- All six hospitals have 24/7 ER, lab, x-ray
- \$190+ million annual budget



Change in Provincial Funding

- After six years of balanced budgets, GBHS is facing a \$4 million deficit in 2016/17, \$6 -7 million in 2017/18 and projected ongoing deficits due largely to a change in provincial funding
- The new funding model is based on a number of factors, including the volume of patients, the complexity and cost of care provided, and the demographics and health status of the communities served



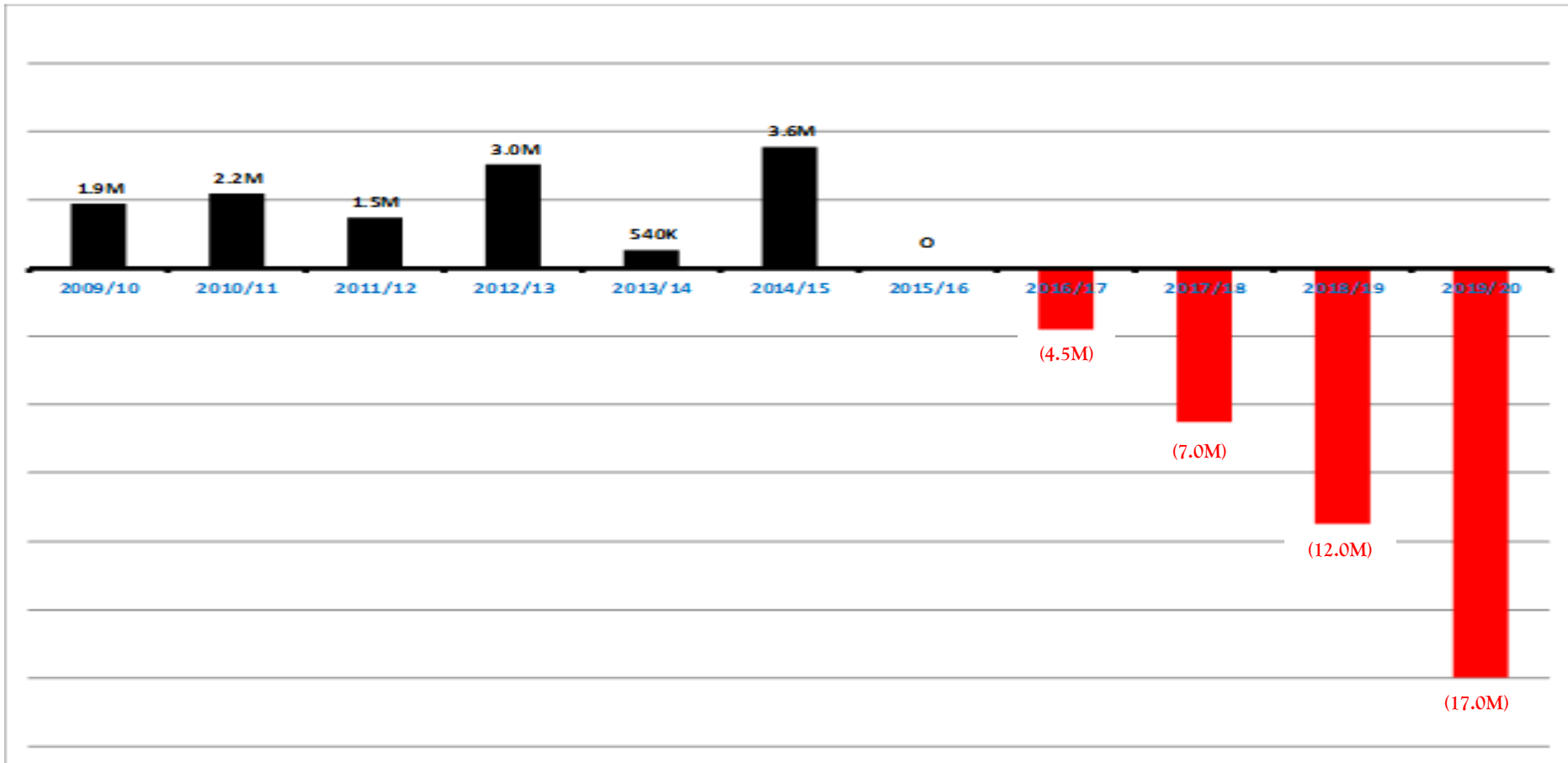
Change in Provincial Funding

- The funding model rewards hospitals serving urban centres with growing populations – except for a few communities, population growth in Grey Bruce is low overall
- The funding model does not reflect the multi-site nature of GBHS (five rural hospitals, 1 regional hospital and withdrawal centre)
- The model sets provincial standards for acceptable costs per a variety of procedures – pressure therefore on hospital to find ways to bring costs in line with provincial standards



GBHS at a Cross Roads

If GBHS does not change its cost structure the annual deficit from operations is projected to exceed \$17 million by the end of 2019/20



At a Cross Roads

- By law, GBHS must submit balanced budgets to the LHIN
- Maintaining the status quo is not an option for the long-term sustainability of GBHS
- We must be looking for year over year sustainable savings



Reducing the Deficit

- Staff and physicians are working on a number of initiatives to reduce the operating deficit over the next four years
- The GBHS Board of Directors is assessing each initiative based on a set of guiding principles, which include:
 - Ensuring long-term sustainability for GBHS
 - Being Inclusive, transparent, respectful of all stakeholders
 - Making evidenced-based decisions with measurable outcomes
- Currently looking at Wave 1 initiatives and internal efficiencies



Approx. Savings from Initiatives

Savings Initiatives 2017/18*	Detail	Estimate
Wave 1 Initiatives		
Surgical Review	Consolidation of surgery	\$550,000
Non-OHIP fees	Increase fees to industry levels	\$500,000
Physician OHIP billing	Reconciliation process	\$500,000
Patient Transport	Chairs vs stretchers	\$100,000
Staff Mileage/Transportation	Best practice	50,000
QBP Revenue Capture	patient record coding project	\$200,000
Ambulatory Care Review		TBD
Skill Mix Review		TBD
Sub-total		\$1,900,000
Wave 2 Initiatives		
Retail Pharmacy Expansion	Owen Sound site	TBD
Energy Management	Variety of opportunities	TBD
Service Reviews	Cafeteria, Laundry, Procurement, other	TBD
Case Costing Project	Ontario Case Costing Project	N.A.
Internal Efficiencies		
Budget reductions	Misc. with no lay-offs	\$1,200,000
Annualized Total		
		\$3,100,000
Projected Year End Deficit	2017/18	\$6,000,000
Difference		\$2,900,000



Surgical Services Review

- A year-long review of the GBHS surgical program was conducted in 2015/16, headed by a working group of staff, physicians and surgeons from across all GBHS sites
- The group assessed the locations and types of **elective day surgeries** provided, and assessed five options for organizing the program to achieve the best outcomes for patients in the most efficient, cost effective way



Options Considered

	Option	Savings
1	Modifying the staff complement to a mix of both Registered Nurses and Registered Practical Nurses	\$186K
2	Consolidate day surgery in Meaford and continue endoscopy program	\$270K
3	Consolidate all day surgery in Meaford and all endoscopy procedures in Southampton	\$295K (1/2 block Endoscopy Southampton/day surgery Meaford) \$469K (Endoscopy full day block alternate weeks Southampton/Meaford)
4	Consolidate all surgical services and endoscopy program in Owen Sound	\$456K
5	Consolidate all elective day surgery in Owen Sound and continue with endoscopy program at all four locations	\$550K

Recommendation

- Of the five options reviewed, the GBHS Board of Directors is considering the merits of consolidating elective surgery currently offered in Meaford, Markdale and Southampton hospitals into the surgical program at the Owen Sound Regional Hospital
- The endoscopy program would continue in Markdale, Meaford, Owen Sound, Southampton and Wiarton
- The Board has asked staff to inform the public and hospital stakeholders of the Board's consideration and to provide opportunity for stakeholder feedback before making its decision



Elective Surgery- What is it, where is it done?

- The review focused on elective day surgery only – which means after surgery, patients go home the same day
- Elective surgery is scheduled in advance, and includes procedures such as knee scopes, carpal tunnel and other minor hand procedures, and minor foot surgery
- Elective surgery is conducted at four GBHS sites – Owen Sound, Markdale, Meaford and Southampton



Elective Surgery vs. Inpatient & Emergency Surgery

- Surgeries that require an overnight stay (inpatient surgery) such as hip and knee surgery, are not done at the rural hospitals
- Patients who need to be admitted to hospital after surgery are attended to in Owen Sound
- Patients requiring emergency surgery often require a diagnostic test such as an MRI or a CT scan, and are primarily taken to the Owen Sound Hospital, where these diagnostic tests are available



Elective Surgery Volumes

- A total of 9,987 elective surgeries are performed at GBHS annually:
 - 88% in Owen Sound (9 operating rooms, 1 procedure room)
 - 5% in Meaford (1 operating room)
 - 4% in Markdale (1 operating room)
 - 2.5% in Southampton (1 operating room)



Maintaining Endoscopy Program at 4 Hospitals

- Endoscopies are a diagnostic procedure, not surgery.
- Endoscopies require less equipment to perform, and can be done in a procedure room, rather than a fully equipped Operating Room
- Endoscopy equipment travels between four rural sites (Meaford, Markdale, Wiarton, Southampton), eliminating the need for purchasing four sets of endoscopy instruments
- Maintains presence at local hospitals of the 5 general surgeons who support the travelling endoscopy program



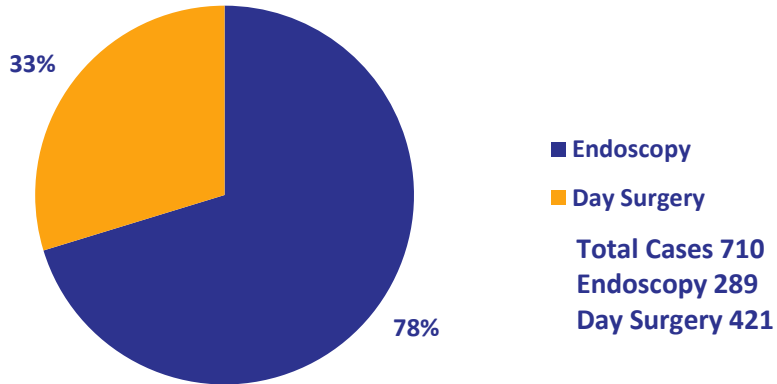
Endoscopy – Local Service

- The following chart shows that most endoscopy patients get the procedure done in their local hospital – and can continue to get that service close to home
- When it comes to elective day surgery – the opposite is true – most day surgery patients now travel outside of their home community for day surgery

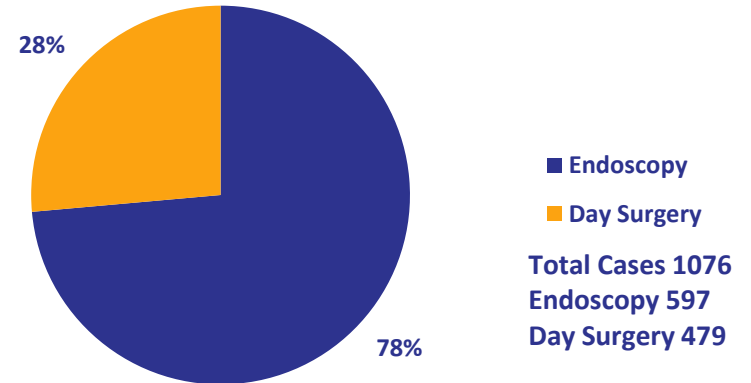


Day Surgery & Endoscopy – Current State

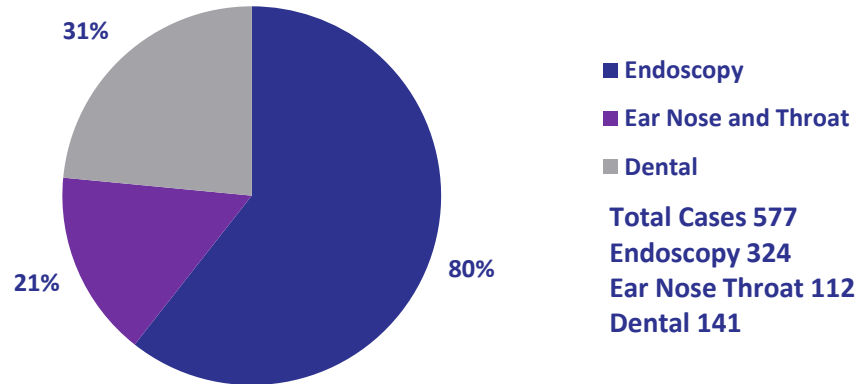
Local Resident Analysis - Markdale OR



Local Resident Analysis - Meaford OR



Local Resident Analysis - Southampton OR



Surgery Program – Owen Sound

- 28 surgeons
- 40 -70 elective surgeries booked per day
- Approx. 12,350 surgical cases/year (elective & emergency)
- OR is staffed until 11:00 p.m. daily; back-up team on call as needed for urgent and emergency procedures 24/7



Impact of Consolidation

- Consolidation of elective surgery in Owen Sound from three other sites would result in an additional 6-8 cases per day at Owen Sound
- There is capacity in Owen Sound to take on more surgery, without impacting inpatient beds (day surgery patients only)
- Owen Sound surgery program is at 87% capacity, with 5-6 operating rooms in use daily



Operating Room Usage

- Surgeons currently performing day surgery in Meaford, Markdale and Southampton would be offered OR space in Owen Sound
- Re-locating all elective surgery to Owen Sound would require use of 7 OR rooms per day, hiring up to four additional staff, plus an additional anesthesiologist



Benefits of a Consolidated Program

- Maintains quality patient outcomes
- No increase in wait times for patients
- Provides standardized care for GBHS surgery patients
- No reduction in number of surgeries performed
- Annual operating budget savings of \$550,000
- Eliminates the need to invest \$3 million to replace/refresh outdated surgical equipment and sterilization systems, and other needed improvements to rural operating rooms



Considerations

- Consolidation allows GBHS to continue offering same services
- Impact on staffing level at local sites will be less than 10 positions
- Retirements and attrition may reduce number of layoffs
- Opportunities for some staff to transfer to Owen Sound



Considerations

- Current infrastructure in Markdale OR is not adequate
- OR in Southampton is in critical need of a new HVAC system to maintain sterile environment
- All sites require new sterilization equipment and anesthesia machines
- Lack of capital and infrastructure investment at Owen Sound OR may make recruitment of new surgeons and anesthesiologists challenging



Capital Needs

Capital Need	Current State (Status Quo)	New State (Proposed)
Current Owen Sound operating room capital needs	\$4M	\$4M
Complete replacement of anaesthetic gas machines	\$2M	\$1.4M
Immediate equipment upgrades in Owen Sound Medical Device Reprocessing Department	\$1M	\$1M
Immediate upgrades to Southampton operating room, Medical Device Reprocessing Department HVAC system	\$2M	
There are a number of operative procedures that require fluoroscopy (x-ray visualization). To bring the operating rooms up to current standards, the walls need to be lead-lined. This is a standard for any operating room	\$2.5M (\$500K x 4 rooms in Owen Sound + 1 in Meaford)	\$2M
Lighting upgrades to all Owen Sound operating rooms	\$700K	\$700K
Renovations will be needed to the Owen Sound Post Anaesthetic Care Unit, Day Surgery and Endoscopy suite regardless of consolidation	\$2M-\$4M	\$2M-\$4M
Meaford Medical Device Reprocessing Department equipment	\$210K	
Replace the entire fleet of travelling endoscopes	\$1M-\$2M	\$1M-\$2M
APPROX. TOTAL	\$18.5M	\$15.1M

Next Steps

- Staff will report back to the Board in late April with a summary of stakeholder feedback
- The Board and executive team will weigh the merits of consolidation together with stakeholder comments to arrive at a decision in April
- If approved, consolidation is targeted for implementation in October of 2017



Next Steps

- Surgical services review is one of many initiatives intended to help GBHS return to a balanced budget position over the next four years
- Staff have identified upwards of \$ 3 million in savings from a variety of initiatives, many of which are being implemented now
- Staff and physicians continue to explore new opportunities for additional savings
- We will continue to advocate for a provincial funding adjustment



Opportunity for Input

- The following options are available for commenting on the surgical services review, and for suggestions on returning GBHS to a balanced budget:
 - Phone: 519.378.1587
 - Email: Back2Balance@gbhs.on.ca
- Comments will be summarized and provided to the GBHS Board of Directors for consideration
- Watch the website for updates: www.gbhs.on.ca
- See the [Back to Balance Backgrounder](#) for further information

