

**Town Hall Meeting - 2011 Budget**  
**March 3, 2011**

To paraphrase Charles Dickens: it is the best of times, it is amongst the worst of times.

It is the best of times for Windsor Regional Hospital as an organization, with superb employees and implementation of leading practices. It may not exactly be the worst of times in the world, from a financial point of view, but it is close.

Just over three years ago I stood in front of all of you and suggested that the pressures facing healthcare would only intensify as a result of the worldwide economic situation, our aging population and an overall increase in patient demands.

Furthermore, at the time, as we prepared to respond to those external pressures, we were aware that our clinical results internally at WRH were not what they should have been. Truth is we kind of knew they were not good but since we did not measure many of them, we could not tell precisely how good or bad they were and therefore could not begin to effectively manage them.

We had to pick up our game.

We began by discarding the time honoured approaches to budgeting and management that we had always used. We completely changed our tactics.

First of all we embarked on a strategic planning exercise, involved a large number of people across the hospital. Then, as a team, we undertook and completed the Zero Based Budgeting process. As one outcome of these efforts, we started to measure a larger number of our clinical results, the first step towards figuring out how to manage our clinical activities. We then began to publish the clinical results on the internet for the world to see. We paid attention to our clinical results on a daily basis through the creation of Monday morning huddles and participation in monthly red/green sessions. Overall we re-focused our attention on the patients and their experiences in the hospital.

Since then the following have occurred:

Our clinical results have improved significantly. For example, our HSMR went from a North America high of 149 down to 80, from April of 2010 to January 2011. Our hand washing rates went from 40% to over 93% during the same period; for the past 20 months we have had a positive 'run rate'. That is our revenues have exceeded our expenses on a month by month basis. We went from a \$6 million dollar deficit in 2008, to a one million dollar surplus last fiscal year. This fiscal year we are projecting a slightly larger operating surplus. However, it should be noted, that with a \$10 million dollar capital budget on an annual basis, we have to create ever bigger surpluses to pay for new and replacement equipment.

Over the past two years, we have received the most 'Leading Practice Awards' by the Ontario Hospital Association of any hospital in the province. Twenty of them!!! Most of

them in the clinical area. To top it off, in the month of May 2011 we have been invited to deliver oral presentations of three of our best practices at the 15th annual Mayo Clinic conference in Rochester, Minnesota. Yes – three oral presentations at one of the world's most prestigious healthcare organizations!!!

It is a fact that amazing teamwork has placed Windsor Regional Hospital on the map. When I was appointed CEO I stated that I did not want you to mumble when you told people where you work. I wanted you to proudly state “I work at Windsor Regional Hospital”.

To summarize, the reason we have been so successful is that we have changed our management and operational style from being reactive to being proactive.

Preparing for the 2011 budget year we have, I believe, taken a measured and responsible approach.

I know that you are under intense pressure both from the increased volume of patents that you must see, and from the higher levels of acuity of those patients. We can add to this the record number of alternative level of care patients we are caring for on a daily basis.

However, we cannot lose sight of the fact that we are not alone. The acuity, volume and ALC crises pertain across the whole province, indeed across the whole country. In Ontario hospitals alone there are close to 5000 ALC patients waiting for long term care. We have 90 of them. In isolation and in our part of the world it seems a lot, and it is, but we have to put it into perspective.

For example, we must accept that it is not possible for the Ministry of Health and long term care to resolve the problems over night. They cannot instantly open hundreds of additional beds. Further, we have to remember they have little or no money to spare. If you personally had tapped out your line of credit you know there is no possibility for you to build a new home.

So, we must rely on our own capabilities.

Over the past 5 months we have worked on our 2011 budget to find \$6.2 million in savings. That is the amount of the gap we are projecting between next year's revenues as compared to expenses. \$6.2 million.

In preparing the budget we adopted two guiding principles.

We wanted to limit the impact on patient services;

We wanted to limit the impact on hospital jobs

I can inform you that we have successfully implemented both of these principles.

However, I need to stress, if our revenue, expense or demand volumes change, in a negative direction, we will have to revisit our planning. It may well be that at some point we will have no choice but to take actions that will have a negative impact on patient services and hospital jobs.

As a result of the failure of the government to bring forward any legislation limiting wage increases, the level of patient service reductions or hospital job loss rests with our bargaining agents and arbitrators. I have said it before and will say it again, we can guarantee no job losses only if we all follow the non-union wage legislation that is currently in place.

Although I said that we had implemented our major principles, we have only been able to do so by looking very carefully at our expenditures and making some changes.

The following are the major changes we will be making for 2011:

We will be modifying the long service award program. We spend close to \$100,000 annually for long service awards, retirement gifts and the annual dinner. We will be eliminating the retirement gifts considering many people receive long service awards at the same time as they receive a retirement gift. In addition we will be re-examining the value of the long service awards. By implementing these modifications we avoided the elimination of two jobs in the organization. I am sure you would all agree that you would rather have some changes to this program than see two people in this room lose their jobs.

We will be reducing the hours of operation of the Met campus cafeteria. In the end we will still have longer hours of operation than many hospitals in Ontario and by far more hours than any hospital in this LHIN. We have tried everything to increase revenues and reduce expenses. However, as a result of many factors, we still lose some \$500,000 dollars a year on the cafeteria operations. That subsidy has to come from somewhere. But again, in order to avoid reducing patient services we will be reducing Met cafeteria hours. The exact hour changes will be announced shortly.

We will be reconfiguring the parking at the Met campus. We recently completed a Ministry of Health directed master site plan for the Met campus which calls for a newly constructed and newly located Met campus in the next 10-15 years. As a result the construction of a parking garage at the Met campus is not a viable option. Our focus is on the patient and as a result we need to increase the on-site patient/family parking. We will be expanding our off-site parking and eliminating the Met staff parking lot. At the same time a practice in Windsor has been to not charge physicians for parking. This will be changing. Again our focus is on the patient and family and on avoiding staff layoffs. This plan will save some 6 hospital jobs. Again, look in this room. With this plan we have saved 6 hospital jobs from elimination. This change in parking will occur this summertime.

In light of the average 90 ALC patients across both campuses for the past year with no significant reduction happening in at least the next 2 years, we will be cohorting the ALC's patients at the Western Campus similar to what has occurred at the Met Campus. In order to reduce the impact on jobs we have negotiated the early opening of 20 additional complex continuing care beds at the Western Campus. This change will occur in the next few months.

I am confident you will agree with me that everyone involved in our 2011 budget process lived up to our principles to save patient services and hospital jobs. You do not have to look far for the massive job loss occurring elsewhere in healthcare. London just announced some 50 FTES reduction and indicated there is more to come.

This year is going to be an exciting year for Windsor Regional Hospital. At the end of this calendar year we will be opening the 65 bed mental health hospital at the Western Campus. This will bring patients home where they belong and create permanent health care jobs.

At the same time we will be near completion of the Western Redevelopment project at the end of this upcoming fiscal year.

In addition, for years, the Windsor Regional Hospital Foundation has supported our tuition reimbursement program.

They have once again stepped up to the plate to support it again. They not only are supporting it but enhancing it. You will notice that tuition reimbursement has been increased to cover most if not all of your possible tuition expense plus a textbook allowance.

I cannot stress to you enough that it is never too late to go back to school and no one can ever take away a certificate or diploma you earn. By going back to school to get a certificate or diploma you will not only be expanding your horizons but you will be providing yourself more flexibility in the case you are ever displaced from your current job. The revised policy and process for application will be sent out by email this afternoon and available in human resources at either campus. Please take the time to invest into yourself.

As always we have to be proactive. We will be starting now looking at 2012-2013. No matter what happens, I predict dramatic change to healthcare after this October's election - no matter who is the party in power. There is no other choice.

However, Windsor Regional Hospital is in a very solid position both clinically and financially for the future so long as we continue our proactive approach.

I am therefore immediately starting preparation for the 2012-2013 budget process to have plans in place for late summer of 2012.

I am confident you will appreciate that although you might hear some grumblings from some of your fellow staff members, the changes I have outlined today save some 20-30 FTES and therefore the livelihood of some 20-30 Windsor families in total and protect patient services. Please remind them of that.

Thank-you for your dedication to Windsor Regional Hospital and our patients and continue to proudly indicate where you work.

